

Publication 1187

Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Magnetically or Electronically

Including 1/2 inch magnetic tape, IBM 3480, 3490, 3590, AS400 compatible tape cartridges, 8mm tape cartridges, 4mm and Quarter Inch Cartridges (QIC) or 3 1/2 inch diskette



Rev. Proc. 2001-40

Reprinted from IR Bulletin 2001-33, dated August 13, 2001 (and including copies of Forms 4419, 4804, 8508, 8809, Notice 210 and Instructions for Form 1042-S for taxpayers' use.)

NOTE:

Following is a list of related instructions and forms for filing Form 1042-S Magnetically/Electronically:

- **2001 Instructions for Form 1042-S**
- **Form 4419 – Application for Filing Information Returns Magnetically/Electronically**
- **Form 4804 – Transmittal of Information Returns Reported Magnetically**
- **Form 8508 – Request for Waiver From Filing Information Returns on Magnetic Media (Forms W-2, W-2G, 1042-S, 1098, 1099, 5498, and 8027)**
- **Form 8809 – Request for Extension of Time To File Information Returns (Forms W-2, W-2G, 1042-S, 1098, 1099, 5498, and 8027)**
- **Notice 210 – Preparation Instructions for Media Labels**
- **Publication 515 – Withholding of Tax on Nonresident Aliens and Foreign Corporations (for general information and explanation of tax law associated with Form 1042-S)**
- **Publication 901 – U.S. Tax Treaties**

The Internal Revenue Service, Martinsburg Computing Center, encourages filers to make copies of the blank forms in the back of this publication for future use. *These forms can also be obtained by calling 1-800-TAX-FORM (1-800-829-3676). You can also download forms and publications from the IRS Web Site at www.irs.gov.*

Rev. Proc. 2001-40

Use this Revenue Procedure to prepare Tax Year 2001 and prior year information returns for submission to Internal Revenue Service (IRS) using any of the following:

- Magnetic Tape
- Tape Cartridge
- 8mm, 4mm, and Quarter Inch Cartridges (QIC)
- 3 1/2-Inch Diskette
- Electronic Filing

Table of Contents

Part A. General

Section 1. Purpose	1
Section 2. Nature of Changes - Current Year (Tax Year 2001)	2
Section 3. Where to File and How to Contact the IRS, Martinsburg Computing Center	2
Section 4. Filing Requirements	3
Section 5. Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media ...	4
Section 6. Vendor List	4
Section 7. Form 4419, Application for Filing Information Returns Magnetically/Electronically	4
Section 8. Test Files	6
Section 9. Filing of Information Returns Magnetically and Retention Requirements	6
Section 10. Due Dates	7
Section 11. Extensions of Time	7
Section 12. Processing of Information Returns Magnetically at IRS/MCC	8
Section 13. Validation of Information Returns at IRS Service Center	9
Section 14. Voided and Corrected Returns	10
Section 15. Taxpayer Identification Number (TIN)	12
Section 16. Effect on Paper Returns and Statements to Recipients	12
Section 17. Definition of Terms	12
Section 18. State Abbreviations	15

Part B. Magnetic Media Specifications

Section 1. General	16
Section 2. Tape Specifications	16
Section 3. Tape Cartridge Specifications	17
Section 4. 8mm, 4mm, and Quarter-Inch Cartridge Specifications	17
Section 5. 3 1/2-Inch Diskette Specifications	19
Section 6. Transmitter "T" Record	19
Section 7. Withholding Agent "W" Record 21	
Section 8. Recipient "Q" Record	24
Section 9. Reconciliation "C" Record	29
Section 10. End of Transmission "F" Record	29

Part C. Electronic Filing Specifications

Section 1. Background	30
Section 2. Advantages of Filing Electronically	30
Section 3. General	30
Section 4. Electronic Filing Approval Procedure	32
Section 5. Test Files	31
Section 6. Electronic Submissions	31
Section 7. PIN Requirements	32
Section 8. Electronic Filing Specifications	32
Section 9. Dial-up Network/Browser Specifications (Web Interface)	32
Section 10. Communication Software Specifications (Text Interface)	34
Section 11. Modem Configuration	36
Section 12. Common Problems Associated with Electronic Filing	36

Part D. Magnetic/Electronic Specifications for Extensions of Time

Section 1. General	38
Section 2. Magnetic Tape, Tape Cartridge, 8mm, 4mm, and QIC (Quarter Inch Cartridge), 3 1/2-inch Diskette, and Electronic Specifications	39
Section 3. Record Layout – Extension of Time	40

Part E. Miscellaneous Information

Section 1. Addresses for Martinsburg Computing Center	42
Section 2. Telephone Numbers for Contacting IRS	42

Part A. General

Revenue Procedures are generally revised annually to reflect legislative and form changes. Comments concerning this Revenue Procedure, or suggestions for making it more helpful, can be addressed to:

Internal Revenue Service
Martinsburg Computing Center
Attn: Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430

Sec. 1. Purpose

.01 The purpose of this Revenue Procedure is to provide the specifications for filing Form 1042-S magnetically or electronically, using 1/2-inch 9-track tape, IBM 3480, 3490, 3490E, 3590, 3590E or AS400 compatible tape cartridges (including 4mm, 8mm & QIC), or 3 1/2-inch diskette with IRS. **IRS/MCC has discontinued processing 8-inch and 5 1/4-inch diskettes and the main-frame electronic filing system. In addition, IRS/MCC will no longer process 1/2-inch 9-track magnetic tape beginning in calendar year 2003 for tax year 2002. The previously used IRP-BBS (Bulletin Board System) has also been replaced.** The new electronic filing system is known as FIRE (Filing Information Returns Electronically). When using the Revenue Procedure for filing prior year returns, reformat required information from prior years to fit the updated specifications. This Revenue Procedure must be used to prepare current and prior year information returns **filed beginning January 1, 2002, and received by IRS/MCC or post-marked by December 31, 2002.**

.02 Generally, the box numbers on the paper Form 1042-S correspond with the fields used to file magnetically/electronically; however, if discrepancies occur, the instructions in this Revenue Procedure govern.

.03 This Revenue Procedure supersedes Rev. Proc. 98-44 published as Publication 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Magnetically or Electronically.

.04 Refer to Part A, Sec. 17, for definitions of terms used in this publication.

.05 Specifications for filing Forms W-2, Wage and Tax Statements, magnetically/electronically are available from the Social Security Administration (SSA) **only**. Filers can call 1-800-SSA-6270 to obtain the phone number of the SSA Employer Service Liaison Officer for their area.

.06 IRS/MCC does **not** process Forms W-2. Paper **and/or** magnetic media for Forms W-2 must be sent to SSA. IRS/MCC does, however, process waiver requests (Form 8508) and extension of time to file requests (Form 8809) for Forms W-2 and requests for an extension of time to provide the employee copies of Forms W-2.

.07 The following Revenue Procedures and publications provide more detailed filing procedures for certain information returns:

- (a) 2001 Instructions for Form 1042-S.
- (b) Rev. Proc. 84-33, 1984-1 C.B. 502, regarding the optional method for agents to report and deposit backup withholding.
- (c) Publication 1179, Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 1042-S, 5498, and W-2G.
- (d) Publication 1239, Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, Magnetically or Electronically.
- (e) Publication 1220 (Rev. 7-2001), Specifications for Filing Forms 1098, 1099, 5498, and W-2G, Magnetically or Electronically.

- (f) Publication 1245, Specifications for Filing Form W-4, Employee's Withholding Allowance Certificate, Magnetically or Electronically.

Sec. 2. Nature of Changes—Current Year (Tax Year 2001)

.01 Due to the issuance of final regulations to Internal Revenue Code (IRC) Section 1441, effective January 1, 2001, this publication is completely revised for Tax Year 2001. Because of this comprehensive revision, changes are not emphasized by the use of italics as in the past. Major changes are listed below, however, filers must read the publication in its entirety for Form 1042-S to be filed correctly, magnetically or electronically.

.02 IRS/MCC will no longer return problem media in need of replacement. See Part A, Sec. 12. Filers will receive Form 9267, Media Tracking Slip, a listing of errors, and a letter detailing the problem(s) encountered during processing. Filers will be expected to send replacement media within the prescribed time frame. This makes it **imperative** that filers maintain backup copies and/or recreate capabilities for their information return files. All references to returning media for replacement were deleted.

.03 Major changes were implemented for the processing of Form 1042-S. See Part A, Sec. 12.03 for a complete listing of errors that will result in a request for a replacement file.

.04 Validity, consistency, and related math error checks within individual "Q" Records will no longer be conducted as part of IRS/MCC's processing. This processing will be performed by the IRS Service Center. See Part A, Sec. 13.

.05 The guidelines for corrected returns have been updated to reflect record and format changes. See Part A, Sec. 14.

.06 Beginning in calendar year 2003 for Tax Year 2002, IRS/MCC will no longer accept 9-track tape for filing Form 1042-S. See Part B, Sec. 2, Tape Specifications.

.07 The record layout and record sequence have changed. A Reconciliation "C" Record was added, and the End of Transmission "F" Record has replaced the "Y" Record. A file will consist of records in the following sequence:

Transmitter "T" Record,
Withholding Agent "W" Record,
Recipient "Q" Record(s),
Reconciliation "C" Record, and
End of Transmission "F" Record.

Multiple sets of the Withholding Agent "W" Record, the Recipient "Q" Record(s), and the Reconciliation "C" Record may be included within the file in that sequence. However, the file must contain only one Transmitter "T" Record (at the beginning of the file) and one End of Transmission "F" Record (at the end of the file). The record length has changed to 780 fixed positions. Block size must not exceed 23,400 tape positions. See Part B.

.08 A Reconciliation "C" Record has been added to summarize the number of "Q" Records and income amounts reported in the Recipient "Q" Records for a specific Withholding Agent "W" Record. See Part B, Reconciliation "C" Record.

.09 The final record on a file has been changed to End of Transmission "F" Record. See Part B, End of Transmission "F" Record.

.10 Filers **must** read the record format for each type of record very carefully. There have been numerous changes, additions, and deletions to the elements in each record.

Sec. 3. Where To File and How to Contact the IRS, Martinsburg Computing Center

.01 All information returns filed magnetically or electronically are processed at IRS/MCC. Files containing information returns and requests for IRS magnetic media and electronic filing information should be sent to the following address:

IRS-Martinsburg Computing Center
Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430

.02 All requests for an extension of time to file information returns with IRS/MCC or to the recipients, and requests for undue hardship waivers filed on Form 8508, should be sent to the following address:

IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430

.03 The telephone numbers for magnetic media inquiries or electronic submissions are:



304-263-8700 - Call Site or email at mccirp@irs.gov

304-267-3367 - TDD (Telecommunication Device for the Deaf)

304-264-5602 - Fax Machine

Electronic Filing – FIRE System

304-262-2400

*****(These are not toll-free telephone numbers.)*****

TO OBTAIN FORMS:

1-800-TAX-FORM (1-800-829-3676)

www.irs.gov – IRS Web Site access to forms

.04 The 2001 Instructions for Form 1042–S have been included in the Publication 1187 for your convenience. The Form 1042–T is used only to transmit Copy A of **paper** Form 1042–S. If filing paper returns, follow the mailing instructions on Form 1042–T and submit the paper returns to the Internal Revenue Service Center, Philadelphia, PA 19255.

.05 Requests for paper Form 1042–S and publications related to magnetic media/electronic filing should be made by calling the IRS toll-free number **1-800-TAX-FORM (1-800-829-3676)** or via the IRS Web Site at **www.irs.gov**.

.06 Questions pertaining to magnetic media filing of Forms W-2 **must** be directed to the Social Security Administration (SSA). Filers can call 1-800-SSA-6270 to obtain the phone number of the SSA Employer Service Liaison Officer for their area.

.07 Filers **should not** contact IRS/MCC if they have received a penalty notice and need additional information or are requesting an abatement of the penalty. A penalty notice contains an IRS representative’s name and/or phone number for contact purposes; or, the filer may be instructed to respond in writing to the address provided. IRS/MCC does **not** issue penalty notices and does **not** have the authority to abate penalties. For penalty information, refer to the Penalty section of the 2001 Instructions for Form 1042–S.

.08 A taxpayer or authorized representative may request a copy of a tax return, including Form W-2 filed with a return, by submitting Form 4506, Request for Copy or Transcript of Tax Form, to IRS. This form may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**. For any questions regarding this form, call 1-800-829-1040.

.09 The Information Reporting Program Call Site answers both magnetic media and tax law questions relating to the filing of information returns (Forms 1096, 1098, 1099, 5498, 8027, W-2G, and W-4). The Call Site also answers magnetic media questions related to Form 1042–S as well as tax law and paper filing related questions about Forms W-2 and W-3. They also handle inquiries dealing with backup withholding and reasonable cause requirements due to missing and incorrect taxpayer identification numbers. The Call Site is located at IRS/MCC and operates in conjunction with the Information Reporting Program. The Call Site provides service to the payer community (financial institutions, employers, and other transmitters of information returns). Recipients of information returns (payees) should continue to contact 1-800-829-1040 or other numbers specified in the tax return instructions with any questions on how to report information on their tax returns. The Call Site accepts calls from all areas of the country. The number to call is **304-263-8700** or Telecommunications Device for the Deaf (TDD) **304-267-3367**. These are not toll-free numbers. *You can also reach the Call Site via email at mccirp@irs.gov.* Hours of operation for the Call Site are Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern time. The Call Site is in operation throughout the year to handle the questions of payers, transmitters, and employers. Due to the high demand for assistance at the end of January and February, it is advisable to call as soon as possible to avoid these peak filing seasons.

☛**Note: This call site does not answer tax law questions concerning the requirements for withholding of tax on payments of U.S. source income to foreign persons under Chapter 3 of the Code. If you need such assistance, you may call 215-516-2000 (not a toll-free number) or write to: Philadelphia Internal Revenue Service, International Section, P.O. Box 920, Bensalem, PA 19020-8518.**

Sec. 4. Filing Requirements

.01 The regulations under section 6011(e)(2)(A) of the Internal Revenue Code provide that any person, including a corporation, partnership, individual, estate, and trust, who is required to file 250 or more information returns must file such returns magnetically/electronically. Withholding agents who meet the threshold of 250 or more Forms 1042–S are required to submit their information electronically or magnetically.

☛**Note: Even though filers with less than 250 information returns are not required to submit the information returns magnetically or electronically and may submit them on paper, IRS encourages filers to transmit those information returns magnetically or electronically.**

.02 These requirements apply separately to both originals and corrections filed magnetically/electronically.

.03 All filing requirements that follow apply individually to each reporting entity as defined by its separate taxpayer identification number (TIN) [social security number (SSN), employer identification number (EIN), IRS individual taxpayer identification number (ITIN), or Qualified Intermediary Employer Identification Number (QI-EIN)]. For example, if a corporation with several branches or locations uses the same EIN, the corporation must aggregate the total volume of returns to be filed for that EIN and apply the filing requirements to each type of return accordingly.

.04 Filers who are required to submit their information returns on magnetic media may choose to submit their documents by electronic filing. IRS/MCC has one method for filing information returns electronically; see Part C.

.05 The above requirements do not apply if the filer establishes hardship (see Part A, Sec. 5).

Sec. 5. Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media

.01 If a filer is required to file on magnetic media but fails to do so (or fails to file electronically in lieu of magnetic media filing) and does not have an approved waiver on record, the filer will be subject to a penalty of \$50 per return in excess of 250. For penalty information, refer to the Penalty section of the 2001 Instructions for Form 1042-S.

.02 If filers are required to file original or corrected returns on magnetic media, but such filing would create a hardship, they may request a waiver from these filing requirements by submitting Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media, to IRS/MCC.

.03 Even though a filer may submit as many as 249 corrections on paper, IRS encourages magnetically or electronically submitted corrections. Once the 250 threshold has been met, filers are required to submit any returns of 250 or more magnetically or electronically. However, if a waiver for original documents is approved, any corrections for the same type of returns will be covered under this waiver.

.04 Generally, only the withholding agent may sign the Form 8508. A transmitter may sign if given power of attorney; however, a letter signed by the withholding agent stating this fact must be attached to the Form 8508.

.05 A transmitter must submit a separate Form 8508 for each withholding agent. Do not submit a list of withholding agents.

.06 All information requested on the Form 8508 must be provided to IRS for the request to be processed.

.07 The waiver, if approved, will provide exemption from magnetic media filing for the current tax year only. Withholding agents may not apply for a waiver for more than one tax year at a time; application must be made each year a waiver is necessary.

.08 Form 8508 may be photocopied or computer-generated as long as it contains all the information requested on the original form.

.09 Filers are encouraged to submit Form 8508 to IRS/MCC at least 45 days before the due date of the returns.

.10 File Form 8508 for the W-2 series of forms with IRS/MCC, not SSA.

.11 Waivers are evaluated on a case-by-case basis and are approved or denied based on criteria set forth in the regulations under section 6011(e) of the Internal Revenue Code. The transmitter must allow a minimum of 30 days for IRS/MCC to respond to a waiver request.

.12 If a waiver request is approved, the transmitter should keep the approval letter on file. The transmitter should not send a copy of the approved waiver to the service center where the paper returns are filed.

.13 An approved waiver from filing information returns on magnetic media does not provide exemption from all filing. The withholding agent must timely file Form 1042-S on acceptable paper forms with the Philadelphia Service Center.

Sec. 6. Vendor List

.01 IRS/MCC prepares a list of vendors who support magnetic media or electronic filing. The Vendor List (Pub. 1582) contains the names of service bureaus that will produce files on the prescribed types of magnetic media or via electronic filing. It also contains the names of vendors who provide software packages for filers who wish to produce magnetic media or electronic files on their own computer systems. This list is compiled as a courtesy and in no way implies IRS/MCC approval or endorsement.

.02 If filers meeting the filing requirements engage a service bureau to prepare media on their behalf, the filers should be careful not to report duplicate data, which may cause penalty notices to be generated.

.03 The Vendor List, Publication 1582, may be updated in print every other year. The most recently printed copy will be available by contacting IRS/MCC at 304-263-8700 or by letter (see Part A, Sec. 3). The Vendor List is also available on the IRS Web Site at www.irs.gov.

.04 A vendor who offers a software package, has the ability to produce magnetic media for customers, or has the capability to electronically file information returns, and would like to be included on the list, must submit a written request to IRS/MCC. The request should include:

- (a) Company name,
- (b) Address (include city, state, and ZIP code),
- (c) Telephone number (include area code),
- (d) Contact person,
- (e) Type(s) of service provided (e.g., service bureau and/or software),
- (f) Type(s) of media offered (e.g., magnetic tape, tape cartridge, 3 1/2-inch diskette, or electronic filing),
- (g) Type(s) of return(s).

Sec. 7. Form 4419, Application for Filing Information Returns Magnetically/Electronically

.01 Transmitters are required to submit Form 4419, Application for Filing Information Returns Magnetically/Electronically, to request authorization to file information returns with IRS/MCC. A single Form 4419 may be filed.

EXCEPTIONS

An additional Form 4419 is required for filing each of the following types of returns:
Forms 1098, 1099, 5498, W-2G, 8027, and Questionable W-4.

FORM	TITLE	EXPLANATION
1098, 1099, 5498 W-2G	Various types of information returns	Payments subject to reporting requirements under Code Section 6011(e)(2)(A), including interest, dividends, royalties, pensions and annuities, gambling winnings, and compensation for personal services.
8027	Employer's Annual Information Return of Tip Income and Allocated Tips	Receipts from operations where tipping is customary. Used by employers to report employees' tips or allocated tips.
Questionable W-4 (See Note)	Employee's Withholding Allowance Certificate	Forms received during the quarter from employees still employed at the end of the quarter who claim (a) More than 10 withholding allowances, or (b) Exempt status and wages normally would be more than \$200 a week.

Note: Employers are not required to send other Forms W-4 unless notified to do so by the IRS.

.02 Magnetic tape, tape cartridge, diskette, and electronically-filed returns may not be submitted to IRS/MCC until the application has been approved. Please read the instructions on the back of Form 4419 carefully. A Form 4419 is included in the Publication 1187 for the filer's use. This form may be photocopied. Additional forms may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**. The form is also available on the IRS Web Site at www.irs.gov.

.03 Upon approval, a five-character alpha/numeric Transmitter Control Code (TCC) beginning with the digits "**22**" will be assigned and included in an approval letter. The TCC **must** be coded in the Transmitter "T" Record. If a transmitter uses more than one TCC to file, each TCC must be reported on separate media or in separate transmissions if filing electronically. Please make sure you submit your magnetic media files using the correct TCC.

.04 When revisions occur, a Publication 1187 containing the current Revenue Procedure, forms, and instructions will be sent to the attention of the contact person indicated on Form 4419.

.05 If **any** of the information (name, TIN, or address) on the Form 4419 changes, please notify IRS/MCC in writing so the IRS/MCC database can be updated. However, a change in the method by which information returns are being submitted is not information which needs to be updated (e.g., tape to disk). The transmitter should include the TCC in all correspondence.

.06 Form 4419 may be submitted anytime during the year; however, it **must** be submitted to IRS/MCC at least 30 days before the due date of the return(s) for current year processing. This will allow IRS/MCC the minimum amount of time necessary to process and respond to applications. In the event that computer equipment or software is not compatible with IRS/MCC, a waiver may be requested to file returns on paper documents.

.07 IRS/MCC encourages transmitters who file for multiple withholding agents to submit one application and to use the assigned TCC for all withholding agents.

.08 If a withholding agent's files are prepared by a service bureau, the withholding agent may not need to submit an application to obtain a TCC. Some service bureaus will produce files, code their own TCC on the media, and send it to IRS/MCC for the withholding agent. Other service bureaus will prepare magnetic media and return the media to the withholding agent for submission to IRS/MCC. These service bureaus may require the withholding agent to obtain a TCC to be coded in the Transmitter "T" Record. Withholding agents should contact their service bureaus for further information.

.09 Once a transmitter is approved to file magnetically or electronically, it is not necessary to reapply each year **unless**:

- (a) The withholding agent has discontinued filing magnetically or electronically for two consecutive years; the withholding agent's TCC may have been reassigned by IRS/MCC. Withholding agents who are aware that the TCC assigned will no longer be used are requested to notify IRS/MCC so these numbers may be reassigned; **or**
- (b) The withholding agent's magnetic media files were transmitted in the past by a service bureau using the service bureau's TCC, but now the withholding agent has computer equipment compatible with that of IRS/MCC and wishes to prepare his or her own files. The withholding agent must request a TCC by filing Form 4419.

.10 One Form 4419 may be submitted regardless of how many types of media or methods are used to file the return. Multiple TCCs will only be issued to withholding agents with multiple TINs. Only one TCC will be issued per TIN unless the filer has checked the application for the following forms in addition to the Form 1042-S: Forms 1098, 1099, 5498, W-2G, 8027, and/or W-4. A separate TCC will be assigned for these forms.

.11 Approval to file does not imply endorsement by IRS/MCC of any computer software or of the quality of tax preparation services provided by a service bureau or software vendor.

Sec. 8. Test Files

.01 IRS/MCC strongly encourages all magnetic media or electronic filers to submit a test for 2001. The test file must consist of a sample of each type of record:

- (a) Transmitter "T" Record
- (b) Withholding Agent "W" Record
- (c) Multiple Recipient "Q" Records (**at least 20**)
- (d) Reconciliation "C" Record
- (e) End of Transmission "F" Record

.02 Use the Test Indicator "**TEST**" (upper case) in Field Positions 195-198 of the "T" Record to show this is a test file.

.03 IRS/MCC will check the file to ensure it meets the specifications of this Revenue Procedure. For current filers, sending a test file will provide the opportunity to ensure their software reflects all programming changes required for TY2001.

.04 Tests should be sent to IRS/MCC between December 1, 2001, and February 15, 2002. Tests must be received at MCC by February 15, 2002, in order to be processed.

.05 For tests filed on magnetic tape, tape cartridge, 8mm, 4mm, and quarter inch cartridge, and 3 1/2-inch diskette, the transmitter must include the signed Form 4804 in the same package with the corresponding magnetic media. Mark the "TEST" box in Block 1 on the form. Also, mark "TEST" on the external media label.

.06 IRS/MCC will send a letter of acknowledgment to indicate the test results for magnetic media with documentation identifying the fatal errors. Resubmission of magnetic media test files must be received by IRS/MCC no later than February 15. See Part C, Sec. 5.03, for information on electronic test results.

.07 Magnetic media will not be returned to filers.

Note: **Validity, consistency, and related math error checks within individual "Q" Records will no longer be conducted as part of MCC's testing procedures.**

Sec. 9. Filing of Information Returns Magnetically and Retention Requirements

.01 Form 4804, Transmittal of Information Returns Reported Magnetically, or a computer-generated substitute, must accompany all magnetic media shipments.

.02 IRS/MCC allows for the use of computer-generated substitutes for Form 4804. The substitutes must contain all information requested on the original forms including the affidavit and signature line. Photocopies are acceptable but an original signature is required. When using computer-generated forms, be sure to mark very clearly which tax year is being reported. This will eliminate a phone communication from IRS/MCC to question the tax year.

.03 Multiple types of media may be submitted in a shipment. However, submit a separate Form 4804 for each type of media.

.04 Current and prior year data may be submitted in the same shipment; however, each tax year must be on separate media, and a separate Form 4804 must be prepared to clearly indicate each tax year.

.05 Filers who have prepared their information returns in advance of the due date are encouraged to submit this information to IRS/MCC no earlier than January 1 of the year the return is due.

.06 Do not report duplicate information. If a filer submits returns magnetically/electronically, identical paper documents must not be filed. This may result in erroneous penalty notices.

.07 Form 4804 may be signed by the withholding agent or the transmitter, service bureau, paying agent, or disbursing agent (all hereafter referred to as agent) on behalf of the payer. Failure to sign the affidavit on Form 4804 may delay processing or could result in IRS/MCC requesting a replacement file. An agent may sign the Form 4804 if the agent has the authority to sign the affidavit under an agency agreement (either oral, written, or implied) that is valid under state law and adds the caption "FOR: (name of withholding agent/payer)."

.08 Although an authorized agent may sign the affidavit, the withholding agent is responsible for the accuracy of the Form 4804 and the returns filed. The withholding agent will be liable for penalties for failure to comply with filing requirements.

.09 A self-adhesive external media label, created by the filer, must be affixed to each piece of magnetic media. For instructions on how to prepare an external media label, refer to Notice 210 in the forms section of this publication.

.10 On the outside of the shipping container, affix or attach a label which reads “**IRB Box ___ of ___**” reflecting the number of containers in the shipment. (Filers can create a label with this information or cut out one of the labels on the special label page provided in this publication.) If there is only one container, mark the outside as Box 1 of 1. For multiple containers, include the sequence (for example, Box 1 of 3, 2 of 3, 3 of 3).

.11 When submitting magnetic files include the following:

- (a) A **signed** Form 4804;
- (b) External media label (created by filer) affixed to magnetic media;
- (c) IRB Box ___ of ___ outside label.

.12 IRS/MCC will not pay for or accept “Cash-on-Delivery” or “Charge to IRS” shipments of tax information that an individual or organization is legally required to submit.

.13 Withholding agents should retain a copy of the information returns filed with IRS or have the ability to reconstruct the data for at least 3 years from the due date of the returns. Whenever backup withholding is imposed, a 4-year retention is required.

Sec. 10. Due Dates

.01 The due dates for filing paper returns with IRS also apply to magnetic media. Filing of Form 1042-S is on a calendar year basis.

.02 Form 1042-S filed magnetically must be submitted to IRS/MCC postmarked on or before March 15.

.03 If any due date falls on a Saturday, Sunday, or legal holiday, the return or statement is considered timely if filed or furnished on the next day that is not a Saturday, Sunday, or legal holiday.

.04 Magnetic media returns postmarked by the United States Postal Service (USPS) on or before March 15, and delivered by United States mail to IRS/MCC after the due date, are treated as timely under the “timely mailing as timely filing” rule. Notice 97-26, 1997-1 C.B. 413, provides rules for determining the date that is treated as the postmark date. A similar rule applies to items delivered by private delivery services (PDSs) designated by the IRS. A PDS must be designated by the IRS before it will qualify for the timely mailing rule. (See **Note**.) Notice 99-41, 1999-2 C.B. 325, provides the list of designated PDSs. Designation is effective until the IRS issues a revised list. For items delivered by a non-designated PDS, the actual date of receipt by IRS/MCC will be used as the filing date. For items delivered by a designated PDS, but through a type of service not designated in Notice 99-41, the actual date of receipt by IRS/MCC will be used as the filing date.

☛**Note: Due to security regulations at MCC, the Internal Revenue police officers will not accept media from PDSs or couriers from 3:00 p.m. to 11:00 p.m., seven days a week, and 11:00 p.m. to 7:00 a.m., Saturday and Sunday.**

.05 Statements to recipients must be mailed on or before March 15.

Sec. 11. Extensions of Time

.01 An extension of time to file may be requested for Form 1042-S.

.02 Form 8809, Request for Extension of Time To File Information Returns, should be submitted to IRS/MCC at the address listed in .06 of this section. This form may be used to request an extension of time to file information returns submitted on paper, magnetically or electronically.

.03 Requesting an extension of time for multiple withholding agents (50 or less) may be done by submitting Form 8809 and attaching a list of the withholding agent’s names and associated EIN or QI-EIN, if applicable. The listing must be attached to ensure an extension is recorded for all withholding agents. Form 8809 may be computer-generated or photocopied. Be sure that all the pertinent information is included.

.04 Requests for an extension of time to file for more than 50 withholding agents must be submitted magnetically or electronically. Transmitters requesting an extension of time for 10 to 50 withholding agents are encouraged to file magnetically or electronically. The request may be filed on tape, tape cartridge, 3 1/2-inch diskette, or electronically. (See Part D, Sec. 3, for the record format.)

.05 If a filer does not have an IRS/MCC assigned Transmitter Control Code (TCC), a Form 4419, Application for Filing Information Returns Magnetically/Electronically, **must** be submitted to obtain a TCC. The TCC must be used to submit an extension request magnetically/electronically.

.06 All requests for an extension of time filed on Form 8809 or filed magnetically on tape, tape cartridge, or 3 1/2-inch diskette should be sent using the following address:

IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430

.07 Requests for extensions of time for multiple withholding agents will be responded to with one approval letter, accompanied by a list of withholding agents covered under that approval.

.08 Transmitters should submit Form 8809 as soon as it is apparent that a 30-day extension is needed. It will take a minimum of 30 days for IRS/MCC to respond to an extension request. Under certain circumstances, a request for an extension of time could be denied. When a denial letter is received, any additional or necessary information may be resubmitted within 20 days.

.09 Form 8809 must be postmarked no later than the due date of the return for which an extension is requested. If requesting an extension of time to file several types of forms, use one Form 8809; however, the Form 8809 must be postmarked no later than the earliest due date. For example, if requesting an extension of time to file both Forms 1099–INT and 1042–S, submit Form 8809 postmarked on or before February 28.

.10 If an additional extension of time is needed, a second Form 8809 must be filed by the initial extended due date. Check line 7 on the form to indicate that an additional extension is being requested. A second 30-day extension will be approved only in cases of extreme hardship or catastrophic event. **If requesting a second 30-day extension of time, submit the information return files as soon as prepared. Do not wait for MCC’s response to your second extension request.**

.11 If an extension request is approved, the approval letter should be kept on file. The approval letter or copy of the approval letter for an extension of time should **not** be sent to IRS/MCC with the magnetic media file or to the service center where the paper returns are filed.

.12 Request an extension for only the current tax year.

.13 The extension request must be signed by the withholding agent or a person who is duly authorized to sign a return, statement, or other document for the withholding agent.

.14 Failure to properly complete and sign the Form 8809 may cause delays in processing the request or result in a denial. Carefully read and follow the instructions on the back of the Form 8809.

.15 Form 8809 may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**. The form is also available on the IRS Web Site at www.irs.gov. A copy of the Form 8809 is also provided in the back of Publication 1187.

.16 Request an extension of time to furnish the statements to recipients of Form 1042–S by submitting a letter to IRS/MCC at the address listed in .06 of this section. The letter should contain the following information:

- (a) Withholding Agent name,
- (b) TIN,
- (c) Address,
- (d) Type of return,
- (e) Specify that the extension request is to provide statements to recipients,
- (f) Reason for delay, and
- (g) Signature of withholding agent or person duly authorized.

Requests for an extension of time to furnish the statements to recipients for Forms 1042–S, 1098, 1099, 5498, W-2G, and W-2 series are not automatically approved; however, if approved, generally an extension will allow a maximum of 30 additional days from the due date to furnish the statements to the recipients. The request must be postmarked by the date on which the statements are due to the recipients.

Note: The due date for the Form 1042 is March 15. To request an extension of time to file Form 1042, submit Form 2758 to the Internal Revenue Service, Philadelphia, PA 19255.

Sec. 12. Processing of Information Returns Magnetically at IRS/MCC

.01 All data received at IRS/MCC for processing will be given the same protection as individual income tax returns (Form 1040). IRS/MCC will process the data and determine if the records are formatted and coded according to this Revenue Procedure.

.02 **If the data is formatted incorrectly, IRS/MCC will request a replacement file in writing. When IRS/MCC requests a replacement file, it is because we encountered errors (not limited to format) and were unable to process the media. Filers will receive a Media Tracking Slip (Form 9267) and letter detailing the reason(s) their media could not be processed. It is imperative that filers maintain backup copies and/or recreate capabilities for their information return files.**

• A **replacement** is an information return file sent by the filer **at the request of IRS/MCC** because of errors encountered while processing the filer’s original submission. After necessary changes have been made, the file must be resubmitted for processing along with the Media Tracking Slip (Form 9267) which was included in the correspondence from IRS/MCC. Filers should never send anything to IRS/MCC marked “Replacement” unless IRS/MCC has requested a replacement file in writing or via the FIRE System.

.03 The following list of errors are considered fatal processing errors and will cause IRS/MCC to request a replacement file:

- (a) **Pre-processing Errors:**
 - Damaged Media
 - Media Type Invalid/Missing
 - Invalid Record Length (**MUST** be 780 positions)
 - Invalid Block Size (**can not** exceed 23,400)

(b) Processing Errors:

- Invalid Tax Year
- Transmitter Control Code Invalid/Missing (**MUST** begin with “22”)
- No Transmitter Record (“T” Record)
- No Withholding Agent Record (“W” Record)
- No Recipient Record (“Q” Record)
- No Reconciliation Record (“C” Record)
- No End of Transmission Record (“F” Record)
- Records are not in proper sequence (e.g., T, W, Q, C, F)
- No data entered in “W” Record
- No data entered in “Q” Record
- No data entered in “C” Record
- Count of “Q” Records missing in “C” Record
- Total “Q” Record count differs from count indicated in “C” Record
- Total Gross Amount Paid missing in “C” Record
- Total U.S. Tax Withheld missing in “C” Record
- Total Gross Amount in “Q” Records differs from amount indicated in “C” Record
- Total U.S. Tax Withheld amount in “Q” Records differs from amount indicated in “C” Record

.04 Magnetic media files must be corrected and returned with the Media Tracking Slip (Form 9267) to IRS/MCC within 45 days from the date of the letter. Refer to Part C, Section 6, for procedures for correcting files submitted electronically. A penalty for failure to file correct information returns by the due date will be assessed if the files are not corrected and replaced within the 45 days **or if IRS/MCC requests replacement files more than two times**. A penalty for intentional disregard of the filing requirements will be assessed if a replacement file is not received. (For penalty information, refer to the Penalty section of the 2001 Instructions for Form 1042-S.)

.05 A letter identifying errors encountered will be provided. It is the responsibility of the transmitter to check the entire replacement file for errors before resubmitting.

.06 IRS/MCC will not return magnetic media. Therefore, if the transmitter wants proof that IRS/MCC received a shipment, the transmitter should select a service with tracking capabilities or one that will provide proof of delivery.

.07 IRS/MCC will work with filers as much as possible to assist with processing problems.

Sec. 13. Validation of Information Returns at IRS Service Center

.01 The accuracy of data reported on Form 1042-S will now be reviewed and validated at the IRS Service Center. All fields indicated as “**Required**” in the record layouts in Part B must contain valid information. If the Service identifies an error, you will be notified by telephone or in writing to provide correct information.

.02 Know your recipient!

.03 The tax rate entered must be a valid tax rate based on the Internal Revenue Code or on a valid treaty article. The valid treaty rate is based on the recipient’s country of residence for tax purposes. The rate selected must be justified by the appropriate treaty.

.04 The Gross Income amount field must reflect pretax income. The Gross Income amount is the total income paid before any deduction of tax at source.

.05 If a qualified intermediary is acting as such, either as a withholding agent or as a recipient, the TIN reported must be a QI-EIN and must begin with “98”.

.06 Country Codes used must be valid codes taken from the Country Code Table. Generally, the use of “OC” or “UC” will generate an error condition. If a recipient is claiming treaty benefits, the Country Code can never be “OC” or “UC”.

.07 If a recipient is an “Unknown Recipient” or “Withholding Rate Pool”, an address is not required. These are the only two situations where a street address is not required.

.08 A U.S. TIN for a recipient is now generally required, particularly for most treaty benefits. The exceptions are very limited and are listed in the 2001 Instructions for Form 1042-S.

.09 Apply the following formula to determine U.S. Federal Tax Withheld (field positions 48–59 of the “Q” Record). All field positions described below are in the “Q” Record.

Income Codes (15 – 19)

- Gross Income Paid (6–17)
- Withholding Allowance (18–29)
- = Net Income Amount (30–41)
- × Tax Rate (42–45)
- = U.S. Federal Tax Withheld (48–59)

All other Income Codes

- Gross Income Paid (6–17)
- × Tax Rate (42–45)
- = U.S. Federal Tax Withheld (48–59)

.10 If the Recipient Code is 20 (Unknown Recipient), the tax rate should be 30%.

.11 When making a payment to an international organization (e.g., United Nations) or a tax exempt organization under IRC 501(a), use Country Code “OC”. Use “UC” only when you have an “Unknown Recipient”.

.12 When using Exemption Code 4, the Recipient Country of Residence Code for Tax Purposes MUST be a VALID treaty country (e.g., if tax resident of Northern Ireland, use United Kingdom). Do not use Exemption Code 4 unless a reduction or exemption of tax is based on a treaty claim.

.13 Generally, payments under Income Codes 06 and 08 are not exempt from withholding; however, certain exceptions apply. See the 2001 Instructions for Form 1042-S.

.14 If the type of income is from gambling winnings (Income Code 28) or is not specified (Income Code 50), the tax rate must generally be 30%. This type of income is only exempt from withholding at source if the exemption is based on a tax treaty that has an “Other Income” article.

.15 If Income Code 20 (Earnings as Artist or Athlete) is used, the Recipient Code must be 09. Do not use Recipient Code 01 (Individual), 02 (Corporation), or 03 (Partnership). Generally, the tax rate cannot be zero even if a treaty may apply.

.16 When paying scholarship and fellowship grants (Income Code 15), the Recipient’s Country of Residence for Tax Purposes must be identified and cannot be “OC” or “UC”. Grants that are exempt under Code Section 117, while no longer required, may be reported on Form 1042-S.

☛**Note: Grants that are exempt under Code 117 include only amounts provided for tuition, fees, books, and supplies to a qualified student. Amounts provided for room and board can only be exempted under a tax treaty and must be reported on Form 1042-S whether exempt from tax or not.**

.17 If a student is receiving compensation (Income Code 19) or a teacher or a researcher is receiving compensation (Income Code 18), all or part of which is exempted from tax under a tax treaty, the Country of Residence for Tax Purposes must be identified and cannot be “OC” or “UC”.

Sec. 14. Voided and Corrected Returns

.01 A corrected record must always have a corresponding voided record submitted prior to or in association with the corrected record.

.02 To provide clarification of the correction process for Form 1042-S, the following definitions have been provided:

- (a) A void record is an information return (Form 1042-S) submitted by the transmitter to delete a previously filed incorrect original return. A void record must be a duplicate of the original successfully processed return with the exception of a Return Type Indicator of “1” (1 = Void) in field position 2 of the “W” and “Q” Records. The voided “Q” Record can be filed with or without a corresponding correction record. For example, a Form 1042-S was submitted, and it should have been prepared as a Form 1099. A “Q” Record with the original Form 1042-S information would be filed with a Return Type Indicator of “1” (1 = Void) in field position 2. In this instance, a corresponding “Q” Record coded as a correction would **NOT** be necessary.
- (b) A correction is an information return (Form 1042-S) submitted by the transmitter to correct a return that was successfully processed by IRS/MCC, but contained erroneous information. A Return Type Indicator of “2” (2 = Corrected) in field position 2 of the “W” and “Q” Records identifies a correction record. **A corrected record must always have a corresponding voided record submitted prior to or in association with the corrected record.**

.03 The magnetic media filing requirement of information returns of 250 or more applies separately to both original and corrected returns.

E X A M P L E	If a withholding agent has 100 Forms 1042-S to be corrected, they can be filed on paper because they fall under the 250 threshold. However, if the withholding agent has 300 Forms 1042-S to be corrected, they must be filed magnetically or electronically because they exceed the 250 threshold. If for some reason a withholding agent cannot file the 300 corrections on magnetic media, to avoid penalties, a request for a waiver must be submitted before filing on paper. If a waiver is approved for original documents, any corrections for the same type of return will be covered under this waiver.
---------------------------------	---

.04 Corrections should be filed **as soon as possible**. Corrections filed after August 1 may be subject to the maximum penalty of \$50 per return. Corrections filed by August 1 may be subject to a lesser penalty. For information on penalties, refer to the Penalty section of the 2001 Instructions for Form 1042-S. However, if a withholding agent discovers errors after August 1, it is still required to file corrections or the withholding agent will be subject to a penalty for intentional disregard of the filing requirements. If a record is incorrect, all fields on that record must be completed with the correct information. Submit corrections only for the returns filed in error. Do not submit the entire file. Furnish corrected statements to recipients as soon as possible.

.05 Corrected returns must be identified on the Form 4804 and the external media label by indicating “Correction”.

☞ **Note: Do not include original returns and corrected returns on the same media or in the same electronic file.**

.06 If filers discover that certain information returns were omitted on their original file, they must not code these documents as corrections. The file must be coded and submitted as an original file.

.07 Prior year data, original and corrected, **must** be filed according to the requirements of this Revenue Procedure. If submitting prior year corrections, use the record format for the current year and submit on separate media. However, use the actual year designation of the correction in Field Positions 2–5 of the “T” Record. If filing electronically, a separate transmission must be made for each tax year.

.08 In general, filers should submit corrections for returns filed within the last 3 calendar years.

.09 All paper returns, whether original or corrected, must be filed with Philadelphia Service Center.

.10 Form 4804 must be submitted with corrected files submitted magnetically.

.11 The “Q” Record provides a 20-position field (positions 72–91) for the recipient’s account number assigned by the withholding agent. This number will help identify the appropriate incorrect return if more than one return is filed for a particular payee. This number should appear on the initial return and on the corrected return in order to identify and process the correction properly. **Do not enter a TIN in this field.**

.12 The record sequence for filing corrections is the same as for original returns.

.13 Following is a chart showing the steps to be taken for voiding and correcting Form 1042–S:

Guidelines for Filing Corrected Returns Magnetically/Electronically

Transaction 1: Identify incorrect returns (void process)

The record sequence for filing corrections is the same as for original returns. Create the file in the following order exactly the same as the original transmission:

- (a) Transmitter “T” Record
- (b) Withholding Agent “W” Record with a Return Type Indicator of “1” (1 = Void) in field position 2
- (c) Recipient “Q” Record (s) with the exact information as submitted originally; however, place a Return Type Indicator of “1” (1 = Void) in field position 2 of the “Q” Record (See **Note**)
- (d) Prepare a Reconciliation “C” Record summarizing the preceding voided “Q” Records. (See sample format below.)

☞ **Note: A voided “Q” Record may or may not have a corresponding corrected “Q” Record.**

Transaction 2: Report the correct information (correction process)

If possible, on the same media or electronic submission prepare:

- (a) Withholding Agent “W” Record with a Return Type Indicator of “2” (2 = Corrected) in field position 2
- (b) Recipient “Q” Record(s) with the correct information. Place a “2” (2 = Corrected) in field position 2 of the “Q” Record
- (c) Prepare a Reconciliation “C” Record summarizing the preceding corrected “Q” Records
- (d) Prepare an End of Transmission “F” Record.

☞ **Note: Each corrected “Q” Record MUST have a corresponding voided “Q” Record submitted prior to or in association with the corresponding correction record.**

Sample data sequence for void/correction records submitted in the same file:

- “T” Record
 - “W” Record coded for voided records
 - “Q” Record coded as void
 - “C” Record to summarize voided records
 - “W” Record coded for corrected records
 - “Q” Record coded as corrected records
 - “Q” Record coded as corrected
 - “Q” Record coded as corrected
 - “C” Record to summarize corrected records
 - “F” Record
-

.14 For information, on when an amended Form 1042 is required, refer to Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Sec. 15. Taxpayer Identification Number (TIN)

.01 Section 6109 of the Internal Revenue Code establishes the general requirements under which a person is required to furnish a TIN to the person obligated to file the information return.

.02 The Withholding Agent must provide its EIN or QI-EIN, if appropriate, in the “W” Record and “T” Record if the Withholding Agent is also the transmitter.

.03 A recipient TIN (SSN, ITIN, EIN, QI-EIN) must be provided on every “Q” Record when:

- (a) Tax rate is less than 30% (See the 2001 Instructions for Form 1042-S for exceptions)
- (b) Income is effectively connected
- (c) Recipient claims tax treaty benefits (generally)
- (d) Recipient is a Qualified Intermediary
- (e) An NRA individual claiming exemption from withholding on independent personal services
- (f) Other situations may apply, see Publication 515

.04 The recipient’s TIN and name combination are used to associate information returns reported to IRS/MCC with corresponding information on recipients’ tax returns. It is imperative that **correct** Taxpayer Identification Numbers (TINs) for recipients be provided to IRS/MCC. **DO NOT enter hyphens or alpha characters.** Entering all zeros, ones, twos, etc., will have the effect of an incorrect TIN.

.05 The withholding agent and recipient names with associated TINs should be consistent with the names and TINs used on other tax returns.

☛ **Note: For 2001 and future years, SSNs and ITINs are no longer valid for withholding agents to use. A withholding agent must have a valid EIN and/or QI-EIN.**

Sec. 16. Effect on Paper Returns and Statements to Recipients

.01 Magnetic/electronic reporting of Form 1042-S eliminates the need to submit paper documents to the IRS. **CAUTION: DO NOT send Copy A of the paper forms to IRS for any forms filed on magnetic media or electronically.** This will result in duplicate filing.

.02 Withholding agents are responsible for providing statements to the recipients as outlined in the 2001 Instructions for Form 1042-S. Refer to those instructions for filing Form 1042-S on paper with the IRS and furnishing statements to recipients.

.03 Statements to recipients should be clear and legible. If the official IRS form is not used, the filer must adhere to the specifications and guidelines in Publication 1179, Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 1042-S, 5498, and W-2G.

.04 The address for filing paper Forms 1042-S and Form 1042 is: Internal Revenue Service Center, Philadelphia, PA 19255. **DO NOT** send paper Forms 1042-S or 1042 to IRS/MCC.

Sec. 17. Definition of Terms

Element	Description
Asynchronous Protocols	This type of data transmission is most often used by microcomputers, PCs and some minicomputers. Asynchronous transmissions transfer data at arbitrary time intervals using the start-stop method. Each character transmitted has its own start bit and stop bit.
b	Denotes a blank position. Enter blank(s) when this symbol is used (do not enter the letter “b”). This appears in numerous areas throughout the record descriptions.
Beneficial Owner	The beneficial owner of income is, generally, the person who is required under U.S. tax principles to include the income in gross income on a tax return. For additional information and special conditions see Definitions in the 2001 Instructions for Form 1042-S.
Correction	A correction is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS/MCC, but contained erroneous information. A corrected record must always have a corresponding voided record submitted prior to or in association with the corrected record.
Employer Identification Number (EIN)	A nine-digit number assigned by IRS for Federal tax reporting purposes.

Element	Description
Electronic Filing	Submission of information returns using switched telecommunications network circuits. These transmissions use modems, dial-up phone lines, and asynchronous protocols. See Parts A and C of this publication for specific information on electronic filing.
File	For purposes of this Revenue Procedure, a file consists of one Transmitter "T" Record at the beginning of the file, a Withholding Agent "W" Record, followed by the Recipient "Q" Record(s), a Reconciliation "C" Record summarizing the number of preceding "Q" Records and total of preceding money fields. Follow with any additional "W", "Q", and "C" Record sequences as needed. The last record on the file will be the End of Transmission "F" Record. Nothing should be reported after the End of Transmission "F" Record. A file format diagram is located at the end of Part E, Miscellaneous Information just before the mail labels.
Filer	Person (may be withholding agent and/or transmitter) submitting information returns to IRS.
FIRE	Filing Information Returns Electronically (FIRE) is the method for submitting Forms 1042-S electronically to IRS/MCC. See Part C.
Filing Year	The calendar year in which the information returns are being submitted to IRS.
Flow-Through Entity	A flow-through entity is a foreign partnership (other than a withholding foreign partnership), or a foreign simple or grantor trust (other than a withholding foreign trust). For any payments for which a reduced rate of withholding under an income tax treaty is claimed, any entity is considered to be a flow-through entity if it is considered to be fiscally transparent under IRC Section 894 with respect to the payment by an interest holder's jurisdiction.
Foreign Person	A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person that is not a U.S. person. The term also includes a foreign branch or office of a U.S. financial institution or U.S. clearing organization if the foreign branch is a Qualified Intermediary. Generally, a payment to a U.S. branch of a foreign person is a payment to a foreign person.
Gross Income	Gross income includes income from all sources, except certain items expressly excluded by statute. Gross income is the starting point for computing adjusted gross income and taxable income.
IRS Individual Taxpayer Identification Number (ITIN)	A nine-digit number issued by IRS to individuals who are required to have a U.S. taxpayer identification number for tax purposes but are not eligible to obtain a social security number (SSN).
Information Return	The vehicle for withholding agents to submit required tax information about a recipient to IRS. For this Revenue Procedure, it is information about a foreign person's U.S. source income subject to withholding, and the information return is Form 1042-S.
Intermediary	An intermediary is a person that acts as a custodian, broker, nominee, or otherwise as an agent for another person, regardless of whether that other person is the beneficial owner of the amount paid, a flow-through entity, or another intermediary.
ISDN - Integrated Services Digital Network	ISDN's basic service is Basic Rate Interface (BRI) which is made up of two 64Kbps B channels and one 16Kbps D channel. If both channels are combined into one, called bonding, the total data rate becomes 128Kbps and is 4 1/2 times the bandwidth of a 28.8 modem.

Element	Description
Magnetic Media	For this Revenue Procedure, the term magnetic media refers to 9-track magnetic tape; IBM 3480, 3490, 3490E, 3590, 3590E or AS400 compatible tape cartridge; 8mm, 4mm, and QIC (Quarter Inch Cartridge) cartridge or 3 1/2-inch diskette.
Media Tracking Slip	Form 9267 accompanies correspondence sent by IRS/MCC requesting a replacement file due to incorrect format or certain errors encountered when trying to process the media. This form must be returned with the replacement file.
Nonqualified Intermediary (NQI)	A Nonqualified Intermediary is any intermediary that is not a U.S. person and that is not a Qualified Intermediary.
Payer	A payer is the person for whom the withholding agent acts as a paying agent pursuant to an agreement whereby the withholding agent agrees to withhold and report a payment.
Presumption Rules	The presumption rules are those rules prescribed under Chapter 3 and Chapter 61 of the Internal Revenue Code that a withholding agent must follow to determine the status of a beneficial owner as a U.S. or foreign person when it cannot reliably associate a payment with valid documentation.
Pro-Rata Basis Reporting	If the withholding agent has agreed that an NQI may provide information allocating a payment to its account holders under the provisions of Regulations section 1.1441-1(e)(3)(iv)(D), and the NQI fails to allocate the payment in a withholding rate pool to the specific recipients in the pool, the withholding agent must file a Form 1042-S for each recipient on a pro-rata basis.
Qualified Intermediary (QI)	A Qualified Intermediary is an intermediary that is a party to a withholding agreement with the IRS, in which it agrees to comply with the relevant terms of Chapter 3 and 61 of the Internal Revenue Code.
Qualified Intermediary Employer Identification Number (QI-EIN)	A nine-digit number assigned by IRS to a QI for Federal tax reporting purposes. A QI-EIN should be used only when the QI is not filing on its own behalf.
Recipient	Person (nonresident alien individual, fiduciary, foreign partnership, foreign corporation, Qualified Intermediary, Withholding Rate Pool, or other foreign entity) that receives payments from a withholding agent as a beneficial owner or as a qualified intermediary acting on behalf of a beneficial owner. A non-qualified intermediary can not be a recipient.
Replacement File	A replacement file is an information return file sent by the filer at the request of IRS/MCC because of certain errors encountered while processing the filer's original submission.
Service Bureau	Person or organization with whom the withholding agent has a contract to prepare and/or submit information return files to IRS/MCC. A parent company submitting data for a subsidiary is not considered a service bureau.
Social Security Number (SSN)	A nine-digit number assigned by Social Security Administration to an individual for wage and tax reporting purposes.
Special Character	Any character that is not a numeric, an alpha, or a blank.
Taxpayer Identification Number (TIN)	Refers to either an Employer Identification Number (EIN), Social Security Number (SSN), IRS Individual Taxpayer Identification Number (ITIN), or a Qualified Intermediary Employer Identification Number (QI-EIN).

Element	Description
Tax Year	The year in which payments were made by a withholding agent to a recipient.
Transmitter	Refers to the person or organization submitting file(s) magnetically/electronically. The transmitter may be the payer, agent of the payer, or withholding agent.
Transmitter Control Code (TCC)	A five-character alpha/numeric number assigned by IRS/MCC to the transmitter prior to filing magnetically or electronically. An application Form 4419 must be filed with IRS/MCC to receive this number. This number is inserted in the Transmitter "T" Record (field positions 190–194) of the file and must be present before the file can be processed. Transmitter Control Codes assigned to 1042–S filers will always begin with "22".
Unknown Recipient	For this Revenue Procedure, an unknown recipient is a recipient for which no documentation has been received by a withholding agent or intermediary or for which documentation received can not be reliably associated. An unknown recipient is always subject to withholding at the maximum applicable rate.
Vendor	Vendors include service bureaus that produce information return files on the prescribed types of magnetic media or via electronic filing for withholding agents. Vendors also include companies that provide software for those who wish to produce their own media or electronic files.
Void	A void record is used in the correction process of Form 1042–S. For purposes of this Revenue Procedure, a void record is submitted by the transmitter to delete a previously filed incorrect original Form 1042–S. A void record must be a duplicate of the original successfully processed record with the exception of a "1" in field position 2 of the "W" and "Q" Records.
Withholding Agent	Any person, U.S. or foreign, that has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity. The term withholding agent also includes, but is not limited to, a qualified intermediary, a nonqualified intermediary, a withholding foreign partnership, a withholding foreign trust, a flow-through entity, a U.S. branch of a foreign insurance company or foreign bank that is treated as a U. S. person, and an authorized foreign agent. A person may be a withholding agent even if there is no requirement to withhold from a payment or even if another person has already withheld the required amount from a payment.
Withholding Foreign Partnership	A foreign partnership or trust that has entered into a withholding or Withholding Foreign Trust agreement with the IRS in which it agrees to assume primary withholding responsibility for all payments that are made to it for its partners, beneficiaries, or owners.

Sec. 18. State Abbreviations

.01 The following state and U.S. territory abbreviations are to be used when developing the state code portion of address fields. This table provides state and territory abbreviations.

State	Code	State	Code	State	Code
Alabama	AL	Louisiana	LA	Ohio	OH
Alaska	AK	Maine	ME	Oklahoma	OK
American Samoa	AS	Maryland	MD	Oregon	OR
Arizona	AZ	Massachusetts	MA	Pennsylvania	PA

State	Code	State	Code	State	Code
Arkansas	AR	Michigan	MI	Puerto Rico	PR
California	CA	Minnesota	MN	Rhode Island	RI
Colorado	CO	Mississippi	MS	South Carolina	SC
Connecticut	CT	Missouri	MO	South Dakota	SD
Delaware	DE	Montana	MT	Tennessee	TN
District of Columbia	DC	Nebraska	NE	Texas	TX
Florida	FL	Nevada	NV	Utah	UT
Georgia	GA	New Hampshire	NH	Vermont	VT
Guam	GU	New Jersey	NJ	Virginia	VA
Hawaii	HI	New Mexico	NM	(U.S.) Virgin Islands	VI
Idaho	ID	New York	NY	Washington	WA
Illinois	IL	North Carolina	NC	West Virginia	WV
Indiana	IN	North Dakota	ND	Wisconsin	WI
Iowa	IA	Northern		Wyoming	WY
Kansas	KS	Mariana Islands	MP		
Kentucky	KY				

.02 When reporting APO/FPO addresses use the following format:

EXAMPLE:

Payee Name	PVT Willard J. Doe
Mailing Address	Company F, PSC Box 100 167 Infantry REGT
Payee City	APO (or FPO)
Payee State	AE, AA, or AP*
Payee ZIP Code	098010100

*AE is the designation for ZIPs beginning with 090–098, AA for ZIP 340, and AP for ZIPs 962–966.

Part B. Magnetic Media Specifications

Sec. 1. General

.01 The specifications contained in this part of the Revenue Procedure define the required format and content of the records to be included in the magnetic media/electronic file. Do not deviate from this format.

.02 Transmitters must be consistent in the use of recording modes and density on files. If the media does not meet these specifications, IRS/MCC will request a replacement file. Filers are encouraged to submit a test prior to submitting the actual file. Contact IRS/MCC for further information at 304-263-8700.

.03 Regardless of the type of media used or if returns are filed electronically, the record length must be 780 positions.

Sec. 2. Tape Specifications ☞

☞ **Note:** *Beginning in calendar year 2003 for Tax Year 2002, IRS/MCC will no longer accept 9-track tape for filing Form 1042-S.*

.01 IRS/MCC can process most magnetic tape files if the following specifications are followed:

- (a) 9-track EBCDIC (Extended Binary Coded Decimal Interchange Code) with:
 - (1) Odd parity,
 - (2) A density of 1600 or 6250 BPI,
 - (3) If transmitters use UNISYS Series 1100, they must submit an interchange tape.
- (b) 9-track ASCII (American Standard Coded Information Interchange) with:
 - (1) Odd parity,
 - (2) A density of 1600 or 6250 BPI.

Transmitters should be consistent in the use of recording codes and density on files.

.02 All compatible tape files must have the following characteristics: Type of tape - 1/2-inch (12.7 mm) wide, computer-grade magnetic tape on reels of up to 2,400 feet (731.52 m) within the following specifications:

- (a) Tape thickness: 1.0 or 1.5 mils and
- (b) Reel diameter: 10 1/2-inch (26.67 cm), 8 1/2-inch (21.59 cm), 7-inch (17.78 cm), or 6-inch.

- .03 The tape records defined in this Revenue Procedure may be blocked subject to the following:
 - (a) A block **must not** exceed 23,400 tape positions.
 - (b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9s; however, the last block of the file may be filled with 9s or truncated. **Do not pad a block with blanks.**
 - (c) All records, except the header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields which describe the length of the block or the logical records within the block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block which may be shorter (see item (b) above). The block length must be evenly divisible by 780.
 - (d) Records may not span blocks.
- .04 Labeled or unlabeled tapes may be submitted.
- .05 For the purposes of this Revenue Procedure the following must be used:
 - Tape Mark:
 - (a) Signifies the physical end of the recording on tape.
 - (b) For even parity, use BCD configuration 001111 (8421).
 - (c) May follow the header label and precede and/or follow the trailer label.
- .06 IRS/MCC can only read one data file on a tape. A data file is a group of records which may or may not begin with a tapemark, but **must** end with a trailer label. Any data beyond the trailer label cannot be read by IRS programs.

Sec. 3. Tape Cartridge Specifications

- .01 In most instances, IRS/MCC can process tape cartridges that meet the following specifications:
 - (a) Must be IBM 3480, 3490, 3490E, 3590, 3590E or AS400 compatible.
 - (b) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:
 - (1) Tape cartridges will be 1/2-inch tape contained in plastic cartridges which are approximately 4-inches by 5-inches by 1-inch in dimension.
 - (2) Magnetic tape will be chromium dioxide particle based 1/2-inch tape.
 - (3) Cartridges must be 18-track, 36-track, 128-track, or 256-track parallel (See **Note**).
 - (4) Cartridges will contain 37,871 CPI or 75,742 CPI (characters per inch).
 - (5) Mode will be full function.
 - (6) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.
 - (7) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used.
- .02 The tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:
 - (a) A block **must not** exceed 23,400 tape positions.
 - (b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9s; however, the last block of the file may be filled with 9s or truncated. **Do not pad a block with blanks.**
 - (c) All records, except the header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields which describe the length of the block or the logical records within the block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block which may be shorter (see item (b) above). The block length must be evenly divisible by 780.
 - (d) Records may not span blocks.
- .03 Tape cartridges may be labeled or unlabeled.
- .04 For the purposes of this Revenue Procedure, the following must be used:
 - Tape Mark:
 - (a) Signifies the physical end of the recording on tape.
 - (b) For even parity, use BCD configuration 001111 (8421).
 - (c) May follow the header label and precede and/or follow the trailer label.

☛**Note: Filers should indicate on the external media label and transmittal Form 4804 whether the cartridge is 18-track, 36-track, 128-track or 256-track.**

Sec. 4. 8mm, 4mm, and Quarter-Inch Cartridge Specifications

- .01 In most instances, IRS/MCC can process 8mm tape cartridges that meet the following specifications:
 - (a) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:
 - (1) Created from an AS400 operating system only.
 - (2) 8mm (.315-inch) tape cartridges will be 2 1/2-inch by 3 3/4-inch.
 - (3) The 8mm tape cartridges must meet the following specifications:

Tracks	Density	Capacity
1	20 (43245 BPI)	2.3 Gb
1	21 (45434 BPI)	5 Gb

- (4) Mode will be full function.
- (5) Compressed data is not acceptable.
- (6) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used. However, IRS/MCC encourages the use of EBCDIC. This information must appear on the external media label affixed to the cartridge.
- (7) A file may consist of more than one cartridge; however, no more than 250,000 documents may be transmitted per file or per cartridge. The filename, for example, 1042TAX, will contain a three digit extension. The extension will indicate the sequence of the cartridge within the file (e.g., 1 of 3, 2 of 3, and 3 of 3 will appear in the header label as 1042TAX.001, 1042TAX.002, and 1042TAX.003 on each cartridge of the file). The Transmitter "T" Record must only appear on the first cartridge. The End of Transmission "F" Record should be placed only on the last cartridge for files containing multiple cartridges.

.02 The 8mm (.315-inch) tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:

- (a) A block **must not** exceed 23,400 tape positions.
- (b) If the use of blocked records would result in a short block, the last block of the file may be filled with 9s or truncated.
- (c) All records, except the header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields which describe the length of the block or the logical records within the block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block which may be shorter (see item (b) above). The block length must be evenly divisible by 780.
- (d) Various COPY commands have been successful; however, the **SAVE OBJECT COMMAND** is not acceptable.
- (e) Extraneous data following the "F" Record will result in IRS/MCC requesting a replacement file.
- (f) Records may not span blocks.
- (g) No more than 250,000 documents per cartridge and per file.

☛ **Note: Advanced Metal Evaporated (AME) cartridges are not acceptable.**

.03 For faster processing, IRS/MCC encourages transmitters to use header labeled cartridges. 1042TAX may be used as a suggested filename.

.04 For the purposes of this Revenue Procedure, the following must be used:

Tape Mark:

- (a) Signifies the physical end of the recording on tape.
- (b) For even parity, use BCD configuration 001111 (8421).
- (c) May follow the header label and precede and/or follow the trailer label.

.05 If extraneous data follows the End of Transmission "F" Record, IRS/MCC will request a replacement file. Therefore, IRS/MCC encourages transmitters to use blank tape cartridges, rather than cartridges previously used, in the preparation of data when submitting information returns.

.06 IRS/MCC can only read one data file on a tape. A data file is a group of records which may or may not begin with a tapemark, but must end with a trailer label. Any data beyond the trailer label cannot be read by IRS programs.

.07 4mm (.157-inch) cassettes are now acceptable with the following specifications:

- (a) 4mm cassettes will be 2 1/4-inch by 3-inch.
- (b) The tracks are 1 (one).
- (c) The density is 19 (61000 BPI).
- (d) The typical capacity is DDS (DAT data storage) at 1.3 Gb (60 meter) or 2 Gb (90 meter), or DDS-2 at 4Gb (120 meter).
- (e) The general specifications for 8mm cartridges also apply to the 4mm cassettes.

☛ **Note: 4mm cassettes with a capacity of DDS-3 (125 meter) are not acceptable.**

.08 Various Quarter-Inch Cartridges (QIC) (1/4-inch) are also acceptable.

- (a) QIC cartridges will be 4" by 6"
- (b) QIC cartridges must meet the following specifications:

Size	Tracks	Density	Capacity
QIC-24	8/9	5 (8000 BPI)	45Mb or 60Mb
QIC-120	15	15 (10000 BPI)	120Mb or 200Mb
QIC-150	18	16 (10000 BPI)	150Mb or 250Mb
QIC-525	26	17 (16000 BPI)	525Mb
QIC-1000	30	21 (36000 BPI)	1Gb
QIC-2Gb	42	34 (40640 BPI)	2Gb

- (c) The general specifications that apply to 8mm cartridges also apply to QIC cartridges.

Sec. 5. 3 1/2-Inch Diskette Specifications

IRS/MCC has discontinued processing 5 1/4-inch diskettes. Filers must use other methods to submit Form 1042-S magnetically/electronically.

.01 To be compatible, a diskette file must meet the following specifications:

- (a) 3 1/2-inches in diameter.
- (b) Data must be recorded in standard ASCII code.
- (c) Records must be a fixed length of 780 bytes per record.
- (d) Delimiter character commas (,) must not be used.
- (e) Positions 779 and 780 of each record have been reserved for use as carriage return/line feed (cr/lf) characters, if applicable.
- (f) Filename of 1042TAX must be used. Do not enter any other data in this field. If a file will consist of more than one diskette, the filename 1042TAX will contain a three-digit extension. This extension will indicate the sequence of the diskettes within the file. For example, if the file consists of three diskettes, the first diskette will be named 1042TAX.001, the second will be 1042TAX.002, and the third will be 1042TAX.003. The first diskette, 1042TAX.001 will begin with a "T" Record and the third diskette, 1042TAX.003 will have an "F" Record at the end of the file.
- (g) A diskette will not contain multiple files as defined in Part A, Section 17. A file may have only ONE Transmitter "T" Record.
- (h) Failure to comply with instructions will result in IRS/MCC requesting a replacement file.
- (i) Diskettes must meet one of the following specifications:

Capacity	Tracks	Sides/Density	Sector Size
1.44 mb	96tpi	hd	512
1.44 mb	135tpi	hd	512

.02 IRS/MCC encourages transmitters to use blank or currently formatted diskettes when preparing files. If extraneous data follows the End of Transmission "F" Record, IRS/MCC will request a replacement file.

.03 IRS/MCC will **only** accept 3 1/2-inch diskettes created using MS-DOS.

Notes: IRS no longer has the capability to process non-MS-DOS compatible diskettes.

3 1/2-inch diskettes created on a System 36 or AS400 are not acceptable.

.04 Transmitters should check media for viruses before submitting it to IRS/MCC.

Sec. 6. Transmitter "T" Record

.01 This record identifies the entity preparing and transmitting the file. The transmitter and the withholding agent may be the same, but they need not be.

.02 The first record of a file **MUST** be a Transmitter "T" Record (preceded only by header labels). The "T" Record must appear on each tape and cartridge; otherwise a replacement file may be requested.

.03 The "T" Record is a fixed length of 780 positions.

.04 All alpha characters entered in the "T" Record must be upper case.

Note 1: For all fields marked Required, the transmitter must provide the information described under Description and Remarks. If required fields are not completed in accordance with these instructions, IRS will contact you to request correct information. For those fields not marked Required, a transmitter must allow for the field, but may be instructed to enter blanks or zeroes in the indicated media position(s) and for the indicated length. All records have a fixed length of 780 positions.

Note 2: A copy of the 2001 Instructions for Form 1042-S is included at the end of this publication. These instructions should be used for the proper coding of each field in this record where applicable. The Instructions are updated each year as required.

Record Name: Transmitter "T" Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "T".
2-5	Tax Year	4	Required. Enter year for which income and withholding are being reported.

Record Name: Transmitter "T" Record (continued)

Field Positions	Field Title	Length	Description and Remarks
6–14	Transmitter's Taxpayer Identification Number (TIN)	9	Required. Enter the Taxpayer Identification Number of the Transmitter. This can be a Social Security Number (SSN), IRS Individual Taxpayer Identification Number (ITIN), Employer Identification Number (EIN), or Qualified Intermediary Number (QI-EIN). DO NOT ENTER blanks, hyphens or alpha characters. A TIN consisting of all the same digits (e.g., 111111111) is not acceptable.
15–54	Transmitter Name	40	Required. Enter name of transmitter of file. Abbreviate if necessary to fit 40-character limit. Omit punctuation if possible. Left-justify and blank fill.
<p>☛Note: Do not use special characters in names or addresses that are unique to a language other than English. For example, å = A, æ = A, ũ = U, Ó = O, ñ = N, etc.</p>			
55–94	Transmitter Address	40	Required. Enter full mailing address of the transmitter. This will include number, street, and apartment or suite number (P.O. Box can be used if mail is not delivered to street address). Abbreviate as needed to fit 40-character limit. Omit punctuation if possible. Left-justify and blank fill.
95–114	City	20	Required. Enter the city or town (or other locality name) of transmitter. If applicable, enter APO or FPO only. Left-justify and blank fill.
115–116	State Code	2	Required if U.S. Transmitter. Enter only the two-alpha State Code. DO NOT spell out the state name. See State Code Table Part A, Sec. 18.
117–118	Province Code	2	Required if Foreign Country Code is "CA" (Canada). Enter only the two-alpha character Province Code as shown in the Province Code table. DO NOT spell out the Province Name. If foreign country other than Canada, blank fill.
	Province Code	Province	
	AB	Alberta	
	BC	British Columbia	
	LB	Labrador	
	MB	Manitoba	
	NB	New Brunswick	
	NF	Newfoundland	
	NS	Nova Scotia	
	NT	Northwest Territories	
	ON	Ontario	
	PE	Prince Edward Island	
	PQ	Quebec	
	SK	Saskatchewan	
	YK	Yukon Territory	
119–120	Country Code	2	Required if Foreign Transmitter. If Country Code is present, State Code field MUST be blank. Enter only the two-alpha Country Code from the Country Code table. DO NOT spell out the Country Name.

☛**Note 1: COUNTRY CODES:** The list of country codes provided in the 2001 Instructions for Form 1042-S includes all internationally recognized country codes and must be used to ensure the proper coding of the Country Code field. This list is updated each year as required.

☛**Note 2:** Do not enter U.S. in the Country Code field. Enter the code for the country of which the recipient claims residency under that country's tax laws. Enter "OC" (other country) only when the country of residence does not appear on the list or the payment is made to an international organization.

☛**Note 3:** Enter "UC" (unknown country) only if the payment is to an unknown recipient. If you are making a payment to a QI or QI withholding rate pool, enter the country code of the QI.

Record Name: Transmitter "T" Record (continued)

Field Positions	Field Title	Length	Description and Remarks
121–129	Postal Zip Code	9	Required if U.S. address. Enter up to nine numeric characters for all U.S. addresses (including territories, possessions and APO/FPO). Conditional for foreign addresses. Enter the foreign postal code. Left-justify and zero fill the remaining positions. DO NOT use hyphens.
130–169	Contact Name	40	Required. Enter the name of the person to contact if any questions should arise with the transmission.
170–189	Contact Telephone Number	20	Required. Enter the contact person's telephone number, and extension, if applicable. If foreign, provide appropriate codes for overseas calls. Left-justify.
190–194	Transmitter Control Code (TCC)	5	Required. Enter the five-character alpha/numeric TCC assigned ONLY for Form 1042-S reporting. (The first two numbers will always be 22).
195–198	Test Indicator	4	Required if this is a test file. Enter the word "TEST". Otherwise enter blanks.
199–778	Reserved	580	Blank fill.
779–780	Blank or Carriage Return Line Feed	2	Required. Enter blanks or carriage return line feed (CR/LF) characters.

Transmitter "T" Record Layout

Record Type	Tax Year	Transmitter's TIN	Transmitter Name	Transmitter Address	City	State Code	Province Code
1	2–5	6–14	15–54	55–94	95–114	115–116	117–118

Country Code	Postal Zip Code	Contact Name	Contact Telephone Number	TCC	Test Indicator	Reserved	Blank or Carriage Return Line Feed
119–120	121–129	130–169	170–189	190–194	195–198	199–778	779–780

Sec. 7. Withholding Agent "W" Record

.01 The "W" Record identifies the Withholding Agent.

.02 Enter a "W" Record after the initial "T" Record on the file followed by the Recipient "Q" Records, and a Reconciliation "C" Record.

.03 Several "W" Records for different Withholding Agents may appear on the same Transmitter's File.

.04 Each "W" Record is a fixed length of 780 positions.

.05 All alpha characters entered in the "W" Record must be upper case.

☛ **Note 1: For all fields marked Required, the transmitter must provide the information described under Description and Remarks. If required fields are not completed in accordance with these instructions, IRS will contact you to request correct information. For those fields not marked Required, a transmitter must allow for the field, but may be instructed to enter blanks or zeroes in the indicated media position(s) and for the indicated length. All records have a fixed length of 780 positions.**

☛ **Note 2: A copy of the 2001 Instructions for Form 1042-S is included at the end of this publication. These instructions should be used for the proper coding of each field in this record where applicable. The list of country codes in the instructions includes all recognized country codes and MUST be used for coding. The instructions are updated each year as required.**

Record Name: Withholding Agent "W" Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "W" .
2	Return Type Indicator	1	Required. Enter the one position value below to identify whether the record is Original, Void or Corrected. Values are: • 0 (Zero) = Original • 1 = Void • 2 = Corrected
3	Pro Rata Basis Reporting	1	Required. Enter the one position value below to identify if reporting on a Pro Rata Basis. Values are: • 0 (Zero) = Not Pro Rata • 1 = Pro Rata Basis Reporting
4–12	Withholding Agent's EIN	9	Required. Enter the nine-digit Employer Identification Number of the Withholding Agent. Do NOT enter blanks, hyphens or alpha characters. An EIN consisting of all the same digits (e.g., 11111111) is not acceptable. Do NOT enter the recipient's TIN in this field.
☛Note: See 2001 Instructions for Form 1042-S to determine when a Qualified Intermediary must provide its QI-EIN in this field.			
13	Withholding Agent's EIN Indicator	1	Required. Enter the Withholding Agent's EIN indicator from the following values: • 1 = EIN • 2 = QI-EIN
14–53	Withholding Agent's Name Line-1	40	Required. Enter the Withholding Agent's Name as established when filing for the EIN or QI-EIN which appears in position 4–12 of the "W" Record. Left-justify and blank fill.
☛Note: Do not use special characters in names or addresses that are unique to a language other than English. For example, å = A, æ = A, ů = U, Ŏ = O, ñ = N, etc.			
54–93	Withholding Agent's Name Line-2	40	Enter supplementary withholding agent's name information; otherwise enter blanks. Use this line for additional names (e.g., partners or joint owners), for trade names, stage names, aliases or titles. Also use this line for "care of" or "via". Valid characters are alpha, numeric, blank, ampersand (&), hyphen (-), comma (,), and the percent (%). The percent [% (used as "in care of")] is valid in the first position only.
94–133	Withholding Agent's Name Line-3	40	See above.
134–173	Withholding Agent's Street Line-1	40	Required. Enter the mailing address of the withholding agent. Street address should include number, street, and apartment or suite number (or P.O. Box if mail is not delivered to street address). Abbreviate as needed. Left-justify and blank fill.
174–213	Withholding Agent's Street Line-2	40	Enter supplementary withholding agent street address information. Otherwise blank fill.
214–253	Withholding Agent's City	40	Required. Enter the city or town (or other locality name). Enter APO or FPO only if applicable. Left-justify and blank fill.
254–255	Withholding Agent's State Code	2	Required if U.S. Withholding Agent. Enter the two-character State Code abbreviation. If not a U.S. state, territory or APO/FPO identifiers, blank fill. Do not use any of the two character Country Codes in the State Code Field.

Record Name: Withholding Agent "W" Record (continued)

Field Positions	Field Title	Length	Description and Remarks
256–257	Withholding Agent's Province Code	2	Required if Foreign Country Code is "CA" (Canada). Enter only the two-alpha character Province Code as shown in the Province Code Table. See "T" record positions 117–118 for Province Code Table. DO NOT spell out the Province Name. If foreign country other than Canada, blank fill.
258–259	Withholding Agent's Country Code	2	Enter only the two-alpha Country Code from the Country Code Table. DO NOT spell out the Country Name.
<p>☛Note 1: COUNTRY CODES: The list of country codes provided in the 2001 Instructions for Form 1042-S includes all internationally recognized country codes and MUST be used to ensure the proper coding of the Country Code field. This list is updated each year as required.</p> <p>☛Note 2: Do not enter U.S. in the Country Code field. Enter the code for the country of which the recipient claims residency under that country's tax laws. Enter "OC" (other country) <u>only</u> when the country of residence does not appear on the list or the payment is made to an international organization.</p> <p>☛Note 3: Enter "UC" (unknown country) <u>only</u> if the payment is to an unknown recipient. If you are making a payment to a QI or QI withholding rate pool, enter the country code of the QI.</p>			
260–268	Postal Zip Code	9	Required if U.S. address. Enter up to nine numeric characters for all U.S. addresses (including territories, possessions and APO/FPO). Conditional for foreign addresses. Enter the foreign postal code. Left-justify and zero fill the remaining positions. DO NOT use hyphens.
269–272	Tax Year	4	Required. Enter the four-digit year of the calendar year for which income and withholding are being reported. All recipient "Q" Records must report payments for this year only. Different tax years may not appear on the same file.
273–292	Withholding Agent's Phone Number and Extension	20	Required. Enter the Withholding Agent's telephone number and extension, if applicable. If foreign, provide appropriate codes for overseas call. Left-justify.
293	Final Return Indicator	1	Required. Enter the one position value below to indicate whether you will be filing Forms 1042-S in the future. <ul style="list-style-type: none"> • 0 (Zero) = will be filing • 1 = will not be filing
294–778	Reserved	485	Blank fill.
779–780	Blank or Carriage Return Line Feed	2	Required. Enter blanks or carriage return line feed characters (CR/LF).

Withholding Agent "W" Record Layout

Record Type	Return Type Indicator	Pro Rata Basis Reporting	Withholding Agent's EIN	Withholding Agent's EIN Indicator	Withholding Agent's Name Line 1	Withholding Agent's Name Line 2
1	2	3	4–12	13	14–53	54–93
Withholding Agent's Name Line 3	Withholding Agent's Street-1	Withholding Agent's Street-2	Withholding Agent's City	Withholding Agent's State Code	Withholding Agent's Province Code	Withholding Agent's Country Code
94–133	134–173	174–213	214–253	254–255	256–257	258–259

Withholding Agent "W" Record Layout (continued)

Postal Zip Code	Tax Year	Withholding Agent's Phone Number and Extension	Final Return Indicator	Reserved	Blank or Carriage Return Line Feed
260–268	269–272	273–292	293	294–778	779–780

Sec. 8. Recipient "Q" Record

.01 The "Q" Record contains name and address information for the Recipient of Income, Non-Qualified Intermediary or Flow-Through Entity if appropriate, Payer, and all data concerning the income paid and tax withheld that is required to be reported under U.S. law. Each Recipient "Q" Record is treated as if it were a separate Form 1042-S.

.02 Since the "Q" Record is restricted to one type of income and one tax rate, under certain circumstances it may be necessary to write more than one "Q" Record for the same recipient. Failure to provide multiple Recipient "Q" Records when necessary will generate math computation errors during processing. This will result in IRS contacting you for correct information.

.03 Following are some of the circumstances when more than one "Q" Record for a recipient would be required:

- (a)** Different types of income. For example, Recipient X derived income from Capital Gains (Income Code 09) and Industrial Royalties (Income Code 10). A separate "Q" Record must be reported for each Income Code, providing Gross Income Paid and U.S. Federal Tax Withheld pertaining to that Income Code.
- (b)** Change in Country Code during the year. For example, the Withholding Agent received notification via Form W-8BEN that the recipient's country of residence for tax purposes changed from country X to country Y. A separate "Q" Record must be reported for each Country Code providing Gross Income Paid, Tax Rate, U.S. Federal Tax Withheld and Exemption Code, if any. The amounts reported must be based on each country.
- (c)** Change in a country's tax treaty rate during the year. For example, effective April 1, country X changes its tax treaty rate from 10% to 20%. A separate "Q" Record must be reported for each of the tax rates. Provide the Gross Income Paid, Tax Rate, and U.S. Federal Tax Withheld under each tax rate.

.04 All recipient "Q" Records for a particular Withholding Agent must be written after the corresponding Withholding Agent "W" Record, followed by a Reconciliation "C" Record, and before the "W" Record for another Withholding Agent begins.

.05 All alpha characters entered in the "Q" Record must be upper case.

.06 Report income and tax withheld in whole dollars only. Round up or down as appropriate. **DO NOT** enter cents.

Note 1: For all fields marked **Required**, the transmitter must provide the information described under **Description and Remarks**. If required fields are not completed in accordance with these instructions, IRS will contact you to request the correct information. For those fields not marked **Required**, a transmitter must allow for the field, but may be instructed to enter blanks or zeroes in the indicated media position(s) and for the indicated length. All records have a fixed length of 780 positions.

Note 2: A copy of the 2001 Instructions for Form 1042-S is included at the end of this publication. These instructions should be used for the proper coding of each field in this record where applicable. The list of country codes in the instructions includes all recognized country codes and **MUST** be used for coding. The instructions are updated each year as required.

Record Name: Recipient "Q" Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "Q".
2	Return Type Indicator	1	Required. Enter the one position value below to identify whether the record is Original, Void, or Corrected. Values are: <ul style="list-style-type: none"> • 0 (Zero) = Original • 1 = Void • 2 = Corrected
3	Pro Rata Basis Reporting	1	Required. Enter the one position value below to identify whether reporting Pro Rata Basis. Values are: <ul style="list-style-type: none"> • 0 (Zero) = Not Pro Rata • 1 = Pro Rata Basis Reporting

Record Name: Recipient "Q" Record (continued)

Field Positions	Field Title	Length	Description and Remarks
4-5	Income Code	2	Required. Enter the two-position value EXACTLY as it appears from the income code table. The Income Code must accurately reflect the type of income paid. DO NOT enter blanks or 00 (zeroes).
Note: The Income Code list has been expanded for TY2001. Refer to the 2001 Instructions for Form 1042-S for more information.			
6-17	Gross Income	12	Required. Enter the gross income amount in whole dollars only (do not enter cents). An income amount of zero cannot be shown. Right-justify.
18-29	Withholding Allowance	12	Used with Income Code 15 or 16 ONLY. Enter the withholding allowance amount in whole dollars only (do not enter cents). Right-justify and zero fill. Otherwise enter blanks.
30-41	Net Income	12	Required if Dollar Amount is Entered in Withholding Allowance Field. Enter the net income in whole dollars only (do not enter cents). An amount other than zero must be shown. Right-justify and zero fill. Otherwise enter blanks.
42-45	Tax Rate	4	Required. Enter the correct Tax Rate applicable to the income in gross income field or net income field, as appropriate. Enter the Tax Rate as a 2-digit whole number and 2-digit decimal (e.g. Enter 39.6% as 3960). See Note below.
Note: The correct Tax Rate must be entered, even if withholding was at a lesser rate. See the 2001 Instructions for Form 1042-S.			
46-47	Exemption Code	2	Required. <ul style="list-style-type: none"> • If the tax rate entered is 0%, enter the appropriate exemption code "01" through "09" from the 2001 Instructions for Form 1042-S. • If the tax rate entered is 1% through 30%, enter "00". • If the tax rate entered is 31% or higher, blank fill. DO NOT enter "00". See the 2001 Instructions for Form 1042-S for circumstances under which Exemption Code "99" must be used.
Note: If an incorrect amount of tax was withheld, report the amount that was actually withheld and use the correct tax treaty rate in field positions 42-45.			
48-59	U. S. Tax Withheld	12	Required. Enter the U.S. Federal tax withheld amount in whole dollars only (do not enter cents). Right-justify and zero fill.
60-71	Amount Repaid	12	This field should be completed only if: <ul style="list-style-type: none"> • you repaid a recipient an amount that was over-withheld and you are going to reimburse yourself by reducing, by the amount of tax actually repaid, the amount of any deposit made for a payment period in the calendar year following calendar year of withholding.
72-91	Recipient Account Number	20	Enter the account number assigned by the withholding agent to the recipient. Do not enter the recipient's U.S. or foreign TIN. If account numbers are NOT assigned, then blank fill. This field may contain numeric, alpha characters, blanks or hyphens. Left-justify and blank fill.
92-93	Recipient Code	2	Required. Enter the appropriate Recipient Code. Refer to the expanded list of appropriate codes in the 2001 Instructions for Form 1042-S. No other codes or values are valid.
94-133	Recipient's Name Line-1	40	Required. Provide the complete name of the recipient. If the recipient has a U.S. TIN, enter the name as established when applying for the TIN. See 2001 Instructions for Form 1042-S for specifics on "Unknown Recipient" and "Withholding Rate Pool". Valid characters are alpha, numeric, ampersand (&), hyphen (-), comma (,), or blank. Left-justify and blank fill.

Record Name: Recipient "Q" Record (continued)

Field Positions	Field Title	Length	Description and Remarks
<p>☞ Note 1: A Non-Qualified Intermediary (NQI) can NEVER be entered as the recipient.</p> <p>☞ Note 2: Do not use special characters in names or addresses that are unique to a language other than English. For example, å = A, æ = A, ú = U, Ø = O, ñ = N, etc.</p>			
134–173	Recipient's Name Line-2	40	Enter supplementary recipient name information including titles; otherwise enter blanks. Use this line for additional names (e.g., partners or joint owners), for trade names, stage names, aliases or titles. Also use this line for "care of" or "via". Valid characters are alpha, numeric, blank, ampersand (&), hyphen (-), comma (,), and the percent (%). The percent [% (use as "in care of")] is valid in the first position only.
174–213	Recipient's Name Line-3	40	See above.
214–253	Recipient's Street Line-1	40	Required. Enter the mailing address of the recipient. Street address should include number, street, apartment, or suite number (or P.O. Box if mail is not delivered to street address). Abbreviate as needed. Left-justify and blank fill.
254–293	Recipient's Street Line-2	40	Enter supplementary recipient street address information; otherwise blank fill.
294–333	Recipient's City	40	Required. Enter the city or town (or other locality name). Enter APO or FPO only, if applicable. Left-justify and blank fill.
334–335	Recipient's State	2	Required if U.S. address. Enter the two-character State Code abbreviation. If no U.S. state, territory or APO/FPO identifier is applicable then blank fill. Do not use any of the two-character Country Codes in the State Code Field.
336–337	Recipient's Province Code	2	Required if Foreign Country Code is "CA" (Canada). Enter only the two-alpha character Province Code as shown in the Province Code Table. See "T" record positions 117–118 for Province Code Table. DO NOT spell out the Province Name. If foreign country other than Canada, blank fill.
338–339	Recipient's Country Code	2	Required. Enter the two-character Country Code abbreviation, if applicable.
340–348	Postal Zip Code	9	Enter up to nine numeric characters for all U.S. addresses (including territories, possessions and APO/FPO). For foreign addresses, enter the foreign postal code. Enter this code in the left most position and zero fill the remaining positions. DO NOT use hyphens. Left-Justify.
<p>☞ Note 1: COUNTRY CODES: The list of country codes provided in the 2001 Instructions for Form 1042-S includes all internationally recognized country codes and MUST be used to ensure the proper coding of the Country Code field. This list is updated each year as required.</p> <p>☞ Note 2: Do not enter U.S. in the Country Code field. Enter the code for the country of which the recipient claims residency under that country's tax laws. Enter "OC" (other country) <u>only</u> when the country of residence does not appear on the list or the payment is made to an international organization.</p> <p>☞ Note 3: Enter "UC" (unknown country) <u>only</u> if the payment is to an unknown recipient. If you are making a payment to a QI or QI withholding rate pool, enter the country code of the QI.</p>			
349–357	Recipient's U.S. TIN	9	Required. Enter the recipient's nine-digit U.S. Taxpayer Identification Number (TIN). DO NOT enter hyphens or alpha characters. If TIN is not required under regulations, blank fill.

☞ **Note: U.S. TINs are now required for most recipients. See 2001 Instructions for Form 1042-S.**

Record Name: Recipient "Q" Record (continued)

Field Positions	Field Title	Length	Description and Remarks
358	Recipient's U.S. TIN Type	1	Required. Enter the recipient's U.S. TIN type indicator from the following values: <ul style="list-style-type: none"> • 1 = SSN/ITIN • 2 = EIN • 3 = QI-EIN See 2001 Instructions for Form 1042-S for exceptions.
359-398	Recipient's Country of Residence for Tax Purposes	40	Required. Enter the complete name of the recipient's country of residence for tax purposes in which the recipient claims residency under that country's tax law.
399-400	Recipient's Country of Residence Code for Tax Purposes	2	Required. Enter the two-character Country Code for which the recipient is a resident for tax purposes and on which the tax treaty benefits are based. The rate of tax withheld is determined by this code.
401-440	NQI/FLW-THR Name Line-1	40	Provide the complete name of the NQI/FLW-THR Entity. It is very important that the complete name of the NQI/FLW-THR entity be provided. Valid characters are alpha, numeric, ampersand (&), hyphen (-), comma (,), or blank. Left-justify and blank fill. See note below.
441-480	NQI FLW-THR Name Line-2	40	Enter supplementary information; otherwise enter blanks. Use this line for additional names (e.g., partners or joint owners), for trade names, stage names, aliases or titles. Also use this line for "care of" or "via". Valid characters are alpha, numeric, blank, ampersand (&), hyphen (-), comma (,), and the percent (%). The percent [% (used as "in care of")] is valid in the first position only.
481-520	NQI/FLW-THR Name Line-3	40	See above.
521-522	Reserved	2	Enter blanks.
523-562	NQI/FLW-THR Street Line 1	40	Enter the mailing address of the NQI/FLW-THR entity. Street address should include number, street, apartment, or suite number (or P.O. Box if mail is not delivered to street address). Abbreviate as needed. Left-justify and blank fill.
563-602	NQI/FLW-THR Street Line 2	40	Enter supplementary NQI/FLW-THR entity street address information; otherwise; blank fill.
603-642	NQI/FLW-THR City	40	Enter the city or town (or other locality name). Left-justify and blank fill.
643-644	Reserved	2	Enter blanks.
645-646	NQI/FLW-THR Province Code	2	Enter the two-alpha character Province Code abbreviation, if applicable. See "T" record positions 117-118.
647-648	NQI/FLW-THR Country Code	2	Enter the two-character Country Code abbreviation, where the NQI/FLW-THR is located.
649-657	NQI/FLW-THR Postal Code	9	Enter up to nine numeric characters for all U.S. addresses (including territories and possessions). Left-justify and zero fill.
658-666	NQI/FLW-THR U.S. TIN	9	Enter the NQI/FLW-THR nine-digit U.S. Taxpayer Identification Number (TIN). Do NOT enter hyphens or alpha characters.
⚡Note: All NQI/FLW-THR fields are REQUIRED if the NQI/FLW-THR entity is involved in the payment structure.			
667-706	Payer's Name	40	Enter the name of the Payer of Income if different from the Withholding Agent. Abbreviate as needed. If Withholding Agent and Payer are the same, blank fill.

Record Name: Recipient "Q" Record (continued)

Field Positions	Field Title	Length	Description and Remarks
707-715	Payer's U.S. TIN	9	Enter the Payer's U.S. Taxpayer Identification Number if there is an entry in the Payer Name Field; otherwise leave blank.
716-727	State Income Tax Withheld	12	If State Tax has been withheld, enter that amount, in whole dollars (do not enter cents). Right-justify and zero fill. If no entry, zero fill.
728-737	Payer's State Tax Number	10	Enter the employer's state I.D. number assigned by the state.
738-739	State Code	2	Enter the two-character State Code abbreviation.
740-760	Special Data Entries	21	This field may be used for the filer's own purposes, (e.g., Do Not Mail). If this field is not used, enter blanks.
761-778	Reserved	18	Enter blanks.
779-780	Blank or Carriage Return Line Feed	2	Enter blanks or carriage return line feed (CR/LF) characters.

Recipient "Q" Record Layout

Record Type	Return Type Indicator	Pro Rata Basis Reporting	Income Code	Gross Income	Withholding Allowance	Net Income	Tax Rate	Exemption Code
1	2	3	4-5	6-17	18-29	30-41	42-45	46-47

U.S. Tax Withheld	Amount Repaid	Recipient Account Number	Recipient Code	Recipient's Name Line 1	Recipient's Name Line 2	Recipient's Name Line 3	Recipient's Street Line 1
48-59	60-71	72-91	92-93	94-133	134-173	174-213	214-253

Recipient's Street Line 2	Recipient's City	Recipient's State	Recipient's Province Code	Recipient's Country Code	Postal Zip Code	Recipient's U. S. TIN	Recipient's U. S. TIN Type
254-293	294-333	334-335	336-337	338-339	340-348	349-357	358

Recipient's Country of Residence for Tax Purposes	Recipient's Country of Residence Code for Tax Purposes	NQI/FLW-THR Name Line 1	NQI/FLW-THR Name Line 2	NQI/FLW-THR Name Line 3	Reserved
359-398	399-400	401-440	441-480	481-520	521-522

NQI/FLW-THR Street Line 1	NQI/FLW-THR Street Line 2	NQI/FLW-THR City	Reserved	NQI/FLW-THR Province Code
523-562	563-602	603-642	643-644	645-646

Recipient "Q" Record Layout (continued)

NQI/FLW-THR Country Code	NQI/FLW-THR Postal Code	NQI/FLW-THR U.S. TIN	Payer's Name	Payer's U.S. TIN	State Income Tax Withheld	Payer's State Tax Number
647-648	649-657	658-666	667-706	707-715	716-727	728-737

State Code	Special Data Entries	Reserved	Blank or Carriage Return Line Feed
738-739	740-760	761-778	779-780

Sec. 9. Reconciliation "C" Record

.01 The "C" Record is a fixed record length of 780 positions and all positions listed are required. The "C" Record is a summary of the number of "Q" Records for each Withholding Agent, Gross Amount Paid, and Total U.S. Tax Withheld.

.02 This record will be written after the last "Q" Record filed for a given withholding agent. For each "W" Record and group of "Q" Records on the file, there must be a corresponding "C" Record.

.03 All alpha characters entered in the "C" Record must be upper case.

Record Name: Reconciliation "C" Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "C".
2-9	Total "Q" Records	8	Required. Enter the total number of "Q" Records for this withholding agent.
10-15	Blank	6	Enter blanks.
16-30	Total Gross Amount Paid	15	Required. Enter the total gross income amount in whole dollars (do not enter cents). An income amount other than zero must be shown. Right-justify and zero fill.
31-45	Total U. S. Tax Withheld	15	Required. Enter the total U.S. Federal tax withheld amount in whole dollars (do not enter cents). Right-justify and zero fill.
46-778	Reserved	733	Blank fill.
779-780	Blank or Carriage Return Line Feed	2	Enter blanks or carriage return line feed (CR/LF) characters.

Reconciliation "C" Record Layout

Record Type	Total "Q" Records	Blank	Total Gross Amount Paid	Total U. S. Tax Withheld	Reserved	Blank or Carriage Return Line Feed
1	2-9	10-15	16-30	31-45	46-778	779-780

Sec. 10. End of Transmission "F" Record

.01 The "F" Record is a fixed record length of 780 positions and all positions listed are required. The "F" Record is a summary of the number of withholding agents and media count in the entire file.

.02 This record will be written after the last "C" Record of the entire file. End the file with an End of Transmission "F" Record. Only a "C" Record may precede the "F" Record. The "F" Record may only be followed by a tape mark, a trailer label or a combination of both.

.03 All alpha characters entered in the "F" Record must be upper case.

Record Name: End of Transmission "F" Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "F".
2-4	Withholding Agent Count	3	Required. Enter the total number of withholding agents on this file. This count must be the same as the total number of "W" records. Right-justify and zero fill.
5-7	Media Count	3	Required. Enter the total number of media for this transmission. Right-justify and zero fill.
8-778	Reserved	771	Blank fill.
779-780	Blank or Carriage Return Line Feed	2	Required. Enter blanks or carriage return line feed characters (CR/LF).

End of Transmission "F" Record Layout

Record Type	Withholding Agent Count	Media Count	Reserved	Blank or Carriage Return Line Feed
1	2-4	5-7	8-778	779-780

Part C. Electronic Filing Specifications

Sec. 1. Background

01. All electronic filing of information returns are received at IRS/MCC via the FIRE (Filing Information Returns Electronically) System. The FIRE System can be accessed via analog and ISDN BRI connections. The system is designed to support the electronic filing of information returns only. The telephone number for electronic filing is **(304-262-2400)**. Publications and forms are no longer available electronically from MCC. Users needing publications and forms will need to download them from the IRS Web Site at www.irs.gov or order them by calling 1-800-TAX-FORM (1-800-829-3676). IRS/MCC encourages the sending of test files, especially when extensive changes have occurred in processing procedures, format, or if you have never filed electronically. See Sec. 5 for testing procedures.

Sec. 2. Advantages of Filing Electronically

Some of the advantages of filing electronically are as follows:

- (1) Acknowledgment of files received.
- (2) Results generally available within 20 workdays as to the acceptability of the data transmitted.
- (3) Better customer service due to on-line availability of transmitter's files for research purposes.

Sec. 3. General

.01 Electronic filing of Form 1042-S, originals, corrections, and replacements of information returns is offered as an alternative to magnetic media (tape, tape cartridge, or diskette) or paper filing, but is not a requirement. Transmitters filing electronically will fulfill the magnetic media requirements for those withholding agents who are required to file magnetically. It may also be used by withholding agents who are under the filing threshold requirement, but would prefer to file their information returns electronically. If the original file was sent magnetically, but IRS/MCC requested a replacement file, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.

.02 Files submitted to IRS/MCC electronically must be in standard ASCII code. No magnetic media or paper forms are to be submitted with the same information as the electronically submitted file.

.03 If a request for an extension is approved, transmitters who file electronically will be granted an extension of time to file. Part A, Sec. 11, explains procedures for requesting extensions of time. Filers are encouraged to file their data as soon as possible.

.04 The formats of the "T", "W", "Q", "C", and "F" Records are the same for electronically filed records as they are for magnetic media, and must be in standard ASCII code. For electronically filed documents, each transmission is considered a separate file; therefore, each transmission **must** begin with a Transmitter "T" Record and end with an End of Transmission (EOT) "F" Record.

Sec. 4. Electronic Filing Approval Procedure

.01 Filers must obtain, or already have, a Transmitter Control Code (TCC) assigned before submitting their files electronically. (Filers who currently have a TCC for magnetic media filing of Form 1042-S, beginning with "22", will not be assigned a second TCC for electronic filing.) Refer to Part A, Sec. 7, for information on how to obtain a TCC.

.02 Once a TCC is obtained, electronic filers assign their own logon name, password and PIN (Personal Identification Number) and do not need prior or special approval. See Part C, Sec. 7.

.03 For all passwords, it is the user's responsibility to remember the password and not allow the password to be compromised. Passwords are user assigned at first logon and are up to 8 alpha/numerics, which are case sensitive. However, if filers forget their password or PIN, call **304-263-8700** for assistance. The FIRE System requires users to change their passwords on a yearly basis.

☛**Note: Passwords are case sensitive.**

Sec. 5. Test Files

.01 Filers are not required to submit a test file; however, the submission of a test file is encouraged for all *new electronic filers to test hardware and software*. If filers wish to submit an electronic test file for Tax Year 2001 (returns to be filed in 2002), it **must** be submitted to IRS/MCC **no earlier than** December 1, 2001, and **no later than** February 15, 2002.

.02 If a filer encounters problems while transmitting the electronic test file, contact IRS/MCC for assistance.

.03 Filers can verify the status of the transmitted test data by connecting to the electronic filing system at **304-262-2400**. This information will be available within 20 workdays after the transmission is received by IRS/MCC.

.04 Form 4804 is no longer required for test files submitted electronically. See Part C, Sec. 7.

Sec. 6. Electronic Submissions

.01 Electronically filed information may be submitted to IRS/MCC 24 hours a day, 7 days a week. Technical assistance will be available Monday through Friday between 8:30 a.m. and 4:30 p.m. Eastern time by calling **304-263-8700**.

.02 **The FIRE System will be down from December 29, 2001, through January 7, 2002.** This allows IRS/MCC to update its system to reflect current year changes.

.03 Data compression is encouraged when submitting information returns electronically. WinZip and PKZip are acceptable compression packages. UNIX COMPRESS may be acceptable; however, a test file is recommended to verify compatibility. IRS/MCC cannot accept self-extracting zip files or compressed files containing multiple files.

The time required to transmit information returns electronically will vary depending on the modem speed and the type of data compression used, if any. The time required to transmit a file can be reduced by as much as 95 percent by using software compression and hardware compression.

The following are transmission rates achieved in test uploads at MCC using compressed files. The transmission rates will vary depending on the modem speeds.

Transmission Speed in bps	1,000 Records	10,000 Records	100,000 Records
19.2K	34 Sec.	6 Min.	60 Min.
56K	20 Sec.	3 1/2 Min.	33 Min.
128K (ISDN)	8 Sec.	1 Min.	10 Min.

.04 Files submitted electronically will be assigned a unique filename by the *FIRE* System (the users may name files anything they choose from their end). The filename *assigned by the FIRE System* will consist of submission type [TEST, ORIG (original), CORR (correction), and REPL (replacement)], the filer's TCC and a four-digit number sequence. The sequence number will be incremented for every file sent. For example, if it is your first original file for the calendar year and your TCC is 22000, the IRS assigned filename would be ORIG.22000.0001. Record the filename.

.05 If a file was submitted timely and is bad, the filer will receive a letter and listing detailing the reasons a replacement file is needed. The filer will have up to 45 days to transmit the first replacement file, and 30 days thereafter, if additional replacements are necessary.

.06 **Filers are advised not to resubmit an entire file if records were omitted from the original transmission. This will result in duplicate filing. A new file should be sent consisting of only those records that had not previously been submitted.**

.07 The TCC (beginning with the numbers "22") in the Transmitter "T" Record must be the TCC used to transmit the file; otherwise, the file will be considered an error.

Sec. 7. PIN Requirements

.01 The Form 4804 is not required for electronic files. All new users will be prompted to create a PIN consisting of ten numerics when they are establishing their initial logon name and password effective 1/1/2002. All users having existing accounts will be prompted for a PIN assignment the first time they logon after 12/31/2001.

.02 The PIN is required each time you send us a file electronically and is your permission to release the file. If you forget your PIN, please call us at 304-263-8700.

.03 If the file is good, it is released for mainline processing 20 calendar days from receipt. You may contact us at 304-263-8700 within this 20-day period if there is some reason the file should not be released for further processing. If the file is bad, normal replacement procedures are followed.

Sec. 8. Electronic Filing Specifications

.01 The FIRE System is designed exclusively for the filing of Forms 1042-S, 1098, 1099, 5498, 8027, W-2G and W-4.

.02 A transmitter must have a TCC before a file can be transmitted. A TCC assigned for magnetic media filing that begins with the numbers "22" should also be used for electronic filing.

.03 The results of the electronic transmission will be available in the File Status area of the FIRE System within 20 workdays. It is the filer's responsibility to dial back to verify the acceptability of files submitted by checking the File Status area of the system. These reports will be available on the electronic system in 20 workdays after the transmission is received by IRS/MCC.

.04 Connect to the FIRE System by dialing **304-262-2400**. This number supports analog connections from 1200bps to 56Kbps or ISDN BRI 128Kbps. The system can be accessed via Dial-up network/web browser (*see Part C, Sec. 9*) or communications software (*see Part C, Sec. 10*). The Dial-up network/web browser (point-to-point) will provide an Internet-like look, however, it is not the Internet. If you do not have this capability, a text interface is provided that can be accessed via communication software such as Hyperterminal, Procomm, PCAnywhere, etc.

Sec. 9. Dial-up Network/Browser Specifications (Web Interface)

.01 The following are some general instructions (many of these may already be set by default in your software):

Dial-up network settings:

- (a) Set dial-up server type to PPP
- (b) Set network protocol to TCP/IP
- (c) Disable software compression
- (d) Disable PPP-LCP extensions

Browser settings:

- (a) Browser must be capable of file uploads (i.e., Internet Explorer 4.0, Netscape 2.0 or higher)
- (b) Enter the **URL** address of **http://10.225.224.2** after you have connected via dial-up. (Remember, this is a point-to-point connection, not the Internet.)

.02 Due to the large number of communication products available, it is impossible to provide specific information on all software/hardware configurations. However, since most filers use Windows 95, 98, NT, 2000, or ME software or more current versions, the following instructions are geared toward those products:

UPLOADING FILES WITH DIAL-UP NETWORKING/WEB BROWSER IN WINDOWS 95/98/NT/2000/ME

Tips

- (1) This is a point-to-point connection – not the Internet.
- (2) Your browser must be capable of file uploads, i.e., Internet Explorer 4.0 or Netscape Navigator 2.0 or higher.
- (3) If you currently access the Internet via a LAN or a PROXY server, you will need to disable those options in your browser and enable 'Connect to the Internet using a modem'.

Select **Programs**
Accessories
Communications (Windows 98)
Dial-Up Networking

First time connecting with Dial-Up Network (If you have logged on previously, skip to Subsequent Dial-up Network Connections.)

The first time you dial-in, you will need to configure your Dial-Up Networking.

Select '**Make new connection**'.
Type a descriptive name for the system you are calling.

Select your modem.

Click **'Next'**.

Enter area code **304** and telephone number **262-2400**.

Click **'Next'**.

When you receive a message that, you have successfully created a new Dial-Up Networking connection, click **'Finish'**.

Click **'Connect'** to dial. If you are prompted for a user name and password, complete according to local procedures; otherwise, click **'OK'**.

When you receive the message that you have connected to our system, click on your Web Browser (**remember, it is not connecting via the Internet – this is a point-to-point connection**).

In the URL Address enter **http://10.225.224.2** and press **ENTER**.

Subsequent Dial-Up Network connections

Click **'Connect'**.

If prompted for user name and password, complete according to local procedures; otherwise, click **'OK'**.

When you receive 'Connection Complete', click **'OK'**.

Click on your Web Browser (**remember, you are not connecting via the Internet**).

In the URL Address enter **http://10.225.224.2** and press **ENTER**.

First time connection to the FIRE System

(If you have logged on previously, skip to Subsequent Connections to the FIRE System.)

Click **'Create New Account'**.

Fill out the registration form and click **'Create'**.

Enter your **logon name** (most users logon with their first and last name).

Enter your **password** (the password is user assigned and is case sensitive).

Click **'Create'**.

If you receive the message 'account created', click **'OK'**.

Click **'Start the Fire Application'**.

Subsequent connections to the FIRE System

Click **'Log On'**.

Enter your **logon name** (most users logon with their first and last name).

Enter your **password** (the password is user assigned and is case sensitive).

At Menu Options:

Click **'Information Returns'**

Enter your **TCC**:

Enter your **EIN**:

Click **'Submit'**.

The system will then display the company name, address, city, state, ZIP code, contact and telephone number. This information will be used to contact or send any correspondence regarding this transmission. Update as appropriate and/or click **'Accept'**.

Click one of the following:

Original File

Correction File

Test File

Replacement File (if you select this option, select one of the following):

FIRE Replacement (file was originally transmitted on this system)

Click file to be replaced

or

Magnetic Media Replacement File

Enter the alpha character from Form 9267, Media Tracking Slip, that was returned with the correspondence requesting a replacement file.

Click **'Submit'**.

Enter the **drive/path/filename** of the file you want to upload or click **'Browse'** to locate the file.

Click **'Upload'**.

When the upload is complete, the screen will display the total bytes received and the IRS assigned file name.

If you have more files to upload for that TCC:
Click **'File Another'**; otherwise,
Click **'Back to Main Menu'**.

It is your responsibility to check the acceptability of your file; therefore, be sure to dial back into the system in 20 business days.

To check the acceptability of a previously submitted file:

At the Main Menu:

Click **'File Stats'**.
Enter your **TCC**:
Enter your **EIN**:
Click **'Search'**.

If 'Results' indicate:

'File Good' and you agree with the 'Count of Payees', you are finished with this file. (If you do not want the file processed, you must contact IRS/MCC within 10 days.)

'File Bad' - Correct the errors and resubmit the file as a 'replacement'.

'Not Yet Processed' - File has been received, but we do not have results available yet. Please check back in a few days.

Click on the desired file for a detailed report of your transmission.

When finished viewing your files, click on **'Main Menu'**.

Click **'Log Off'**.

Close your Web Browser.

IMPORTANT

Go back into your Dial-Up Network and click 'hang-up'; otherwise, you may stay connected and incur unnecessary telephone charges.

Sec. 10. Communication Software Specifications (Text Interface)

.01 Communications software settings must be:

- No parity
- Eight data bits
- One stop bit

.02 Terminal Emulation must be VT100.

.03 Due to the large number of communication products available, it is impossible to provide specific information on all software/hardware configurations. However, since most of our filers use Windows 95, 98 or NT software, the following instructions are geared toward those products (Procomm, PCAnywhere and many other communications packages are also acceptable and the product does not necessarily need to be Windows based.):

Uploading Files Using Hyperterminal in Windows 95, 98 or NT

Select **Programs**
Accessories
Communications (Windows 98)
Hyperterminal

The first time you log on, select **Hyperterminal**, **Hyperterm**, or **Hyperterm.exe**, whichever is available on your system. Thereafter, you can just select the icon that you have saved.

A box will appear titled **'Connection Description'**.

Enter a name and choose an icon for the connection:

Country Code: United States of America

Area Code: **304**

Phone Number: **262-2400**

Connect Using: (default)

(If you need to modify the phone number, select **File**, then **Properties** to enter defaults for the area code, phone numbers, and/or special access codes.)

Click on **'Dial'**.

A 'Connect' box will appear to show the status.

Once you have connected to the FIRE System, if you do not get a menu within a few seconds, press the **ENTER** key one time.

First Time Logon

When you have connected to the system, enter '**new**' to create your logon name and password. Complete the registration information and enter '**y**' to create account.

Logon Name and Password

Logon Name: Enter a logon name. Most users enter their first and last name as the logon name.

Password: Enter a password of your choosing (1-8 alpha/numerics - case sensitive).

After entering the password, you will go to the Main Menu.

Transferring Your Electronic File

Enter '**A**' for Electronic Filing.

After reading Information Notice, press **ENTER**.

Enter '**A**' for Forms 1098, 1099, 5498, W-2G, 1042-S, 8027, and Questionable Forms W-4.

Press the Tab key to advance to TCC box; otherwise, enter '**E**' to exit.

Enter your **TCC**:

Enter your **EIN**:

The system will then display the company name, address, city, state, ZIP code, and phone number. This information will be used to contact or send correspondence (if necessary) regarding this transmission. If you need to update, enter '**n**' to change information; otherwise, enter '**y**' to accept.

Select one of the following:

'**A**' for an Original file

'**B**' for a Replacement file

'**C**' for a Correction file

'**D**' for a Test file

If you selected 'B' for a replacement file, select one of the following:

'**A**' Replacement Files For This System

This option is to replace an original/correction file that was submitted electronically on this system but was bad and needs to be replaced. Select the file needing replaced.

'**B**' Magnetic media replacement files

Enter the alpha character from Form 9267, Media Tracking Slip, that was returned with the correspondence requesting a replacement file.

Choose one of the following protocols (Hyperterminal is normally set to Zmodem by default):

X - Xmodem

Y - Ymodem

Z - Zmodem (Zmodem will normally give you the fastest transfer rate.)

At this point, you must start the upload from your PC.

To send a file:

Go to the hyperterminal menu bar.

Click on **Transfer**.

Click on **Send file**.

A box will appear titled 'Send File'.

Enter the drive/path/filename or click on **Browse** to locate your file.

Click on **Send**.

When the upload is complete, the screen will display the total bytes received and the IRS assigned file name.

Press **ENTER** to continue.

If you have more files to send for the same TCC/EIN, enter '**y**'; otherwise, enter '**n**'.

It is your responsibility to check the acceptability of your file; therefore, be sure to dial back into the system in 20 business days.

To check the acceptability of a previously submitted file:

At the Main Menu:

Enter '**B**' for file status.

Press the Tab key to advance to TCC box; otherwise, enter '**E**' to exit.

Enter your **TCC**:

Enter your **EIN**:

Choose the appropriate option.

Tab to appropriate file and press **ENTER**.

If 'Results' indicate:

'File Good' and you agree with the 'Count of Payees', you are finished with this file. (If you do not want the file processed, you must contact IRS/MCC within 10 days.)

'File Bad' - Correct the errors and resubmit the file as a replacement.

'Not Yet Processed' - File has been received, but results are not available. Please recheck in several days.

When you are finished, enter '**E**' from the 'Main Menu' to logoff.

Enter '**2**' to hang-up.

Sec. 11. Modem Configuration

.01 Hardware features

(a) Enable hardware flow control

(b) Enable modem error control

(c) Enable modem compression

Sec. 12. Common Problems Associated with Electronic Filing

.01 Refer to Part A, Section 18, for Major Problems Encountered with Form 1042-S magnetic/electronic files.

.02 The following are the major non-format errors associated with electronic filing:

1. Transmitter does not dial back to the electronic system to determine file acceptability.

The results of your file transfer are posted to the FIRE System within 20 business days. It is your responsibility to verify file acceptability and, if the file contains errors, you can get an online listing of the errors. Date received and number of payee records are also displayed. (If you do not want the file processed, you must contact IRS/MCC within 10 days.)

2. Transmitter uses wrong TCC.

Use the TCC assigned for Form 1042-S filing only. This TCC will begin with a "22".

3. Transmitter compresses several files into one.

Only compress one file at a time. For example, if you have 10 uncompressed files to send, compress each file separately and send 10 separate compressed files.

4. Transmitter sends a file and File Status indicates that the file is good, but the transmitter wants to send a replacement or correction file to replace the original/correction/replacement file.

Once a file has been transmitted, you cannot send a replacement file unless File Status indicates the file is bad (20 business days after file was transmitted). If you do not want us to process the file, you must first contact us at 304-263-8700 to see if this is a possibility. However, this will count as a replacement. (See Part A, Sec. 16, for the definition of replacement.)

5. Transmitter sends an original file that is good, then sends a correction file for the entire file even though there are only a few changes.

The correction file, containing the proper coding, should only contain the records needing correction, not the entire file.

6. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

.03 The following are the most common problems associated with connecting with dial-up networking/web browser:

1. Transmitter is unable to connect to the FIRE System using dial-up networking.

1. The user name and password should be blank when trying to connect unless it is needed for your system.

2. Windows 95/98: Disable 'enable software compression'.
 3. Windows NT/2000: Disable both 'enable software compression' and 'enable PPP/LCP extensions'.
 4. TCP/IP should be the only network protocol that is enabled.
(Make sure you are using analog lines rather than digital.)
-

2. Transmitter is connecting using dial-up networking, but is unable to bring up the URL address using my web browser.

1. Proxy server should be disabled for a dial-up connection.
 2. Using a modem option should be selected.
 3. The home page should either display **http://10.225.224.2** or be set to 'about:blank'.
 4. The security level should be set at medium.
 5. The option 'enable software compression' should be disabled under Dial-Up Networking.
-

3. Transmitter clicks on 'start the FIRE application', but the logon screen is displayed again.

Your browser must be set to receive 'cookies'.

4. Transmitter is getting a menu when connecting with dial-up networking.

The option 'pop-up a terminal window' should be disabled.

5. Transmitter cannot find the browse button to upload file.

If using Internet Explorer, you must have version 4.0 or higher. If using Netscape Navigator, it must be version 2.0 or higher. A patch is available that can be downloaded from Microsoft for users of Internet Explorer 3.02.

6. The line is busy when dialed.

We have enough lines available that you should not get this message. Check the phone number being dialed. It should be 304-262-2400. If you need a number such as an 8 or a 9 to access an outside line, make sure it is present. Also, some companies require an access code for long distance dialing.

7. Transmitter is receiving the error message "Remote PPP Peer Not Responding."

Disable 'enable PPP/LCP Extensions' in Dial-Up Networking

.04 The following are the most common problems associated with connecting with hyperterminal:

1. Transmitter is unable to connect using hyperterminal.

1. If you need a number such as an 8 or a 9 to access an outside line, make sure it is present.
2. Set the terminal emulation to VT100.
3. Try lowering the modem speed.
4. Turn the modem off and then back on to reset it.

Make sure you are using analog lines rather than digital.

2. Transmitter is getting the message 'annex command line interpreter.'

Disconnect and try again. You may need to lower the modem speed if this happens several times in a row.

3. When trying to logon, the cursor is not in the correct box, or the menus are distorted.

Check the terminal emulation. It must be set to VT100. Also, verify that the data bits are set at 8, the stop bit is set at 1 and parity is set at None.

4. Transmitter was able to connect and the menu is displayed, but is unable to type anything.

Scroll lock cannot be turned on.

5. When transmitter connects, the menus keep scrolling and display garbage characters.

Make sure 'Use error control' and 'Compress data' are enabled under the Advanced Connection Settings.

6. Transmitter receives message saying 'bad data packet' when the file is transmitting. What does this mean?

Your modem is having problems sending the data, so it is re-trying to send it. Normally, if the transfer does not abort, the file will be sent successfully.

Part D. Magnetic/Electronic Specifications For Extensions of Time

Sec. 1. General

.01 The specifications in Part D include the required 200-byte record format for extensions of time to file requests submitted magnetically or electronically. Also included are the instructions for the information that is to be entered in the record. **Filers are advised to read this section in its entirety to ensure proper filing.**

.02 Only filers who have been assigned a Transmitter Control Code may request an extension of time magnetically or electronically. If you meet the threshold of more than 50 withholding agents when requesting an extension but are below the 250 documents threshold, you must still submit a Form 4419, Application for Filing Information Returns Magnetically/Electronically. Requests for extensions of time may be made for Forms 1098, 1099, 5498, W-2G, W-2, 1042-S and 8027.

.03 For Tax Year 2001 (returns due to be filed in 2002), transmitters requesting an extension of time to file for more than 50 withholding agents (not recipients) are required to file the extension request magnetically or electronically. Transmitters requesting an extension of time for 10 to 50 withholding agents (not recipients) are encouraged to file the request magnetically or electronically. The request may be filed on tape, tape cartridge, 3 1/2-inch diskette, or electronically.

.04 For extension requests filed on magnetic media, the transmitter must mail the completed, signed Form 8809, Request for Extension of Time To File Information Returns, in the same package as the corresponding media or fax it to 304-264-5602. For extension requests filed electronically, the transmitter must fax the Form 8809 the same day the transmission is made.

.05 Transmitters submitting an extension of time magnetically or electronically should not submit a list of withholding agents names and TINs with the Form 8809 since this information is included on the magnetic or electronic file. However, Line 6 of the Form 8809 must be completed with the total number of records included on the magnetic media or electronic file.

.06 To be considered, an extension request must be postmarked or transmitted by the due date of the returns; otherwise, the request will be denied.

.07 A magnetically-filed request for an extension of time should be sent using the following address:

IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430

Note: Due to the large volume of mail received by IRS/MCC and the time factor involved in processing the Form 8809, it is imperative that the attention line be present on all envelopes or packages containing Extension of Time (EOT) requests.

.08 Requests for extensions of time to file postmarked by the United States Postal Service on or before the due date of the returns, and delivered by United States mail to the IRS/MCC after the due date, are treated as timely under the “timely mailing as timely filing” rule. A similar rule applies to designated private delivery services (PDSs). See Part A, Sec. 10, for more information on PDSs. For requests delivered by a designated PDS, but through a non-designated service, the actual date of receipt by IRS/MCC will be used as the filing date.

.09 Transmitters who submit their extension of time requests magnetically or electronically will receive a letter from IRS/MCC with an attached list of the withholding agents, based on information contained in the file, specifying approval and/or denial.

.10 Do not submit tax year 2001 extensions of time to file requests on magnetic media before *January 1, 2002*, or electronically before *January 8, 2002*.

.11 It will take a minimum of 30 days for IRS/MCC to respond to an extension request. Under certain circumstances, a request for an extension of time could be denied. In such cases, the transmitter receives a denial letter. When this denial letter is received, the transmitter has 20 days to provide the additional or necessary information and resubmit the extension request to IRS/MCC.

.12 Each piece of magnetic media **must** have an external media label containing the following information:

- (a) Transmitter name
- (b) Transmitter Control Code (TCC)
- (c) Tax year
- (d) The words “Extension of Time”
- (e) Record count

.13 A request for an extension of time to file is not automatically granted. Approval or denial is dependent on information provided on the Form 8809. If the Form 8809 is not completed properly, processing may be delayed or the request may be denied.

.14 If the first request for an extension of time to file was submitted magnetically or electronically, additional extension requests should be submitted in the same manner.

.15 If an additional extension of time is needed, a second Form 8809 and file may be submitted before the end of the initial extension period with a postmark reflecting the date mailed. Line 7 on the form should be checked to indicate that the original extension has been received and the additional extension is being requested.

.16 See Part A, Sec. 11, for complete information on requesting an extension of time to file information returns. If there are additional questions or concerns, contact IRS/MCC.

Sec. 2. Magnetic Tape, Tape Cartridge, 8mm, 4mm, and QIC (Quarter-Inch Cartridge), 3 1/2-inch Diskette and Electronic Specifications

☛ **Note:** Beginning in calendar year 2003 for Tax Year 2002, IRS/MCC will no longer process 9-track tapes

.01 Tape specifications are as follows:

- (a) 9-track.
- (b) EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) recording mode.
- (c) 1600 or 6250 BPI.
- (d) A block must not exceed 32,600 tape positions and must be a multiple of 200.
- (e) Record length of 200 bytes.
- (f) Labeled or unlabeled tapes may be submitted.

.02 Tape cartridge specifications are as follows:

- (a) Must be IBM 3480, 3490, 3590, 3590E or AS400 compatible.
- (b) Must meet American National Standard Institute (ANSI) standards and have the following characteristics:
 - (1) Tape cartridges will be 1/2-inch tape contained in plastic cartridges which are approximately 4-inches by 5-inches by 1-inch in dimension.
 - (2) Magnetic tape will be chromium dioxide particle based 1/2-inch tape.
 - (3) Cartridges will be 18-track or 36-track parallel. Indicate on the external media label if the tape cartridge is 18- or 36-track.
 - (4) Mode will be full function.
 - (5) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.
 - (6) Either EBCDIC or ASCII.
- (c) A block must not exceed 32,600 tape positions and must be a multiple of 200.
- (d) Record length of 200 bytes.
- (e) Labeled or unlabeled tape cartridges may be submitted.

.03 8mm, 4mm, and Quarter-Inch Cartridge Specifications:

- (a) In most instances, IRS/MCC can process 8mm tape cartridges that meet the following specifications:
 - (1) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:
 - (a) Created from an AS400 operating system **only**.
 - (b) 8mm (.315-inch) tape cartridges will be 2 1/2-inch by 3 3/4-inch.
 - (c) The 8mm tape cartridges must meet the following specifications:

Tracks	Density	Capacity
1	20 (43245 BPI)	2.3 Gb
1	21 (45434 BPI)	5 Gb

- (d) Mode will be full function.
- (e) **Compressed data is not acceptable.**
- (f) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used. However, IRS/MCC encourages the use of EBCDIC. This information must appear on the external media label affixed to the cartridge.
- (g) A file may consist of more than one cartridge; however, no more than 250,000 documents may be transmitted per file or per cartridge. The filename, for example, IRSEOT, will contain a three digit extension. The extension will indicate the sequence of the cartridge within the file, 1 of 3, 2 of 3, or 3 of 3, and will appear in the header label IRSEOT.001, IRSEOT.002, and IRSEOT.003 on each cartridge of the file.
- (2) The 8mm (.315-inch) tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:
 - (a) A block must not exceed 32,600 tape positions.
 - (b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9's; however, the last block of the file may be filled with 9's or truncated. Do not pad a block with blanks.
 - (c) All records, except the header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields which describe the length of the block or the logical records within a block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block which may be shorter (see item (b) above). The block length must be evenly divisible by 200.
 - (d) Various SAVE commands have been successful; however, the **SAVE OBJECT COMMAND is not acceptable.**
 - (e) Records may not span blocks.

☛ **Note:** Advanced Metal Evaporated (AME) cartridges are not acceptable.

- (3) For faster processing, IRS/MCC encourages transmitters to use header labeled cartridges. IRSEOT may be used as a suggested filename.
- (4) For the purposes of this Revenue Procedure, the following must be used:
Tape Mark:
 - (a) Signifies the physical end of the recording on tape.
 - (b) For even parity, use BCD configuration 001111 (8421).
 - (c) May follow the header label and precede and/or follow the trailer label.
- (5) IRS/MCC can only read one data file on a tape. A data file is a group of records which may or may not begin with a tape-mark, but must end with a trailer label. Any data beyond the trailer label cannot be read by IRS programs.
 - (b) 4mm (.157-inch) cassettes are now acceptable with the following specifications:
 - (1) 4mm cassettes will be 2 1/4-inch by 3-inch.
 - (2) The tracks are 1 (one).
 - (3) The density is 19 (61000 BPI).
 - (4) The typical capacity is DDS (DAT data storage) at 1.3 Gb or 2 Gb, or DDS-2 at 4 Gb.
 - (5) The general specifications for 8mm cartridges will also apply to the 4mm cassettes.

☛ **Note: 4mm cassettes with a capacity of DDS-3 (125 meter) are not acceptable.**

- (c) Various Quarter-Inch Cartridges (QIC) (1/4-inch) are also acceptable.
 - (1) QIC cartridges will be 4" by 6".
 - (2) QIC cartridges must meet the following specification:

Size	Tracks	Density	Capacity
QIC-24	8/9	5 (8000 BPI)	45Mb or 60Mb
QIC-120	15	15 (10000 BPI)	120Mb or 200Mb
QIC-150	18	16 (10000 BPI)	150Mb or 250Mb
QIC-525	26	17 (16000 BPI)	525Mb
QIC-1000	30	21 (36000 BPI)	1Gb
QIC-2Gb	42	34 (40640 BPI)	2Gb

(3) The general specifications that apply to 8mm cartridges will also apply to QIC cartridges.

.04 Diskette specifications are as follows:

- (a) 3 1/2-inches in diameter.
- (b) ASCII recording mode **only**. Additional specifications may be found in Part B, Sec. 5, of this Revenue Procedure.
- (c) Record length of 200 bytes.
- (d) Diskettes must be created using the MS-DOS operating system.
- (e) Filename of IRSEOT must be used. No other filenames are acceptable. If a file will consist of more than one diskette, the filename IRSEOT will contain a three-digit extension. This extension will indicate the sequence of the diskettes within the file. For example, the first diskette will be named IRSEOT.001, the second diskette will be name IRSEOT.002, etc.
- (f) Delimiter character commas (,) or quotes (") must not be used.
- (g) Positions 199 and 200 of each record have been reserved for use as carriage return/line feed (cr/lf) characters, if applicable.

.05 Electronic Filing specifications (See Note.)

- (a) A transmitter must have a Transmitter Control Code (TCC).
- (b) Filers can determine the acceptability of files submitted by checking the file status area of the system. These reports will be available on the electronic system within 5 business days if the Form 8809 is received timely by IRS/MCC.

☛ **Note: See Part C, Electronic Filing Specifications, for detailed information on filing with IRS/MCC electronically.**

Sec. 3. Record Layout

.01 Positions 6 through 185 of the following record should contain information about the withholding agent for whom the extension of time to file is being requested. Do not enter transmitter information in these fields. **Only one TCC may be present in a file.**

Record Layout for Extension of Time			
Field Positions	Field Title	Length	Description and Remarks
1-5	Transmitter Control Code	5	Required. Enter the five-digit Transmitter Control Code (TCC) issued by IRS. Only one TCC per file is acceptable.

Record Layout for Extension of Time (continued)

Field Positions	Field Title	Length	Description and Remarks				
6-14	Withholding Agent's TIN	9	Required. Must be the valid nine-digit EIN/SSN assigned to the withholding agent. Do not enter blanks, hyphens or alpha characters. All zeros, ones, twos, etc., will have the effect of an incorrect TIN. For foreign entities that are not required to have a TIN, this field may be blank; however, the Foreign Entity Indicator, position 187, must be set to "X."				
15-54	Withholding Agent's Name	40	Required. Enter the name of the withholding agents whose TIN appears in positions 6-14. Left-justify information and fill unused positions with blanks.				
55-94	Second Agent's Name	40	If additional space is needed, this field may be used to continue name line information (e.g., c/o First National Bank); otherwise, enter blanks.				
95-134	Withholding Agent's Address	40	Required. Enter the agent's address. Street address should include number, street, apartment or suite number (or P.O. Box if mail is not delivered to a street address).				
135-174	Withholding Agent's City	40	Required. Enter agent's city, town, or post office.				
175-176	Withholding Agent's State	2	Required. Enter the agent's valid U.S. Postal Service state abbreviation. (Refer to Part A, Sec. 18.)				
177-185	Withholding Agent's ZIP Code	9	Required. Enter agent's ZIP Code. If using a five-digit ZIP Code, left-justify information and fill unused positions with blanks.				
186	Document Indicator	1	Required. Enter the document for which you are requesting an extension of time using the following code: <table border="0" style="margin-left: 40px;"> <tr> <td>Code</td> <td>Document</td> </tr> <tr> <td>4</td> <td>1042-S</td> </tr> </table>	Code	Document	4	1042-S
Code	Document						
4	1042-S						
DO NOT enter any other values in this field when requesting an extension for Form 1042-S.							
187	Foreign Entity Indicator	1	Enter character "X" if the payer is a foreign entity.				
188-198	Blank	11	Enter blanks.				
199-200	Blank	2	Enter blanks. Diskette filers may code the ASCII carriage return/line feed (CR/LF) characters.				

Extension of Time Record Layout

Transmitter Control Code	Withholding Agent's TIN	Withholding Agent's Name	Second Withholding Agent's Name	Withholding Agent's Address	Withholding Agent's City	Withholding Agent's State
1-5	6-14	15-54	55-94	95-134	135-174	175-176
Withholding Agent's ZIP Code	Document Indicator	Foreign Entity Indicator	Blank	Blank or CR/LF		
177-185	186	187	188-198	199-200		

Part E. Miscellaneous Information

Sec. 1. Addresses for Martinsburg Computing Center

To submit an application to file, correspondence, and magnetic media files, use the following:

IRS-Martinsburg Computing Center
Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430

To submit magnetically filed and paper extension and waiver requests, use the following address:

IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430

Sec. 2. Telephone Numbers for Contacting IRS



**Between 8:30 a.m. and 4:30 p.m. Eastern Time
Monday through Friday**

Information Reporting Program Call Site: 304-263-8700 or email at mccirp@irs.gov

Telecommunication Device for the Deaf (TDD): 304-267-3367



**HOURS OF OPERATION – FIRE SYSTEM & FAX
24 HOURS A DAY
7 DAYS A WEEK**

Electronic Filing via the FIRE System: 304-262-2400

Information Returns FAX Machine: 304-264-5602

Tax law inquiries concerning Chapter 3 Withholding: 215-516-2000

This is the end of Publication 1187 for Tax Year 2001.
